

ORDINANCE NO. 2566 (N.C.S.)

AN ORDINANCE ALLOWING THE ESTABLISHMENT, OPERATION AND REGULATIONS OF COMMERCIAL CANNABIS BUSINESSES FOR THE DISPENSING, DISTRIBUTION, CULTIVATION, AND MANUFACTURING OF MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS

City Attorney's Analysis

This ordinance allows for a limited number of "commercial cannabis businesses" to open and to operate within the city of Salinas, to include the dispensing, distribution, manufacturing, and cultivation of marijuana for medical purposes in accordance with State law. This ordinance does not allow for the recreational use of marijuana. Under the ordinance, a maximum of three permits may be issued by the City of Salinas for each of the four types of "commercial cannabis businesses" with the first twelve-month period following adoption of this ordinance having a limitation one permit for each of the four types of "commercial cannabis businesses." This ordinance would repeal the existing prohibition on the establishment and operation of medical marijuana dispensaries and the urgency interim ordinance on the establishment and operation of medical marijuana cultivation facilities and manufacturing facilities. The ordinance provides for a competitive application process for the limited number of "commercial cannabis permits" and as a land use regulation imposes operating restrictions in order to protect neighboring properties and businesses from the negative effects of "commercial cannabis businesses" and in order to protect the health, safety, and welfare of the general public. The regulations established in this ordinance would be enforced under the Salinas Municipal Code.

WHEREAS, Salinas is a charter city organized pursuant to Article XI of the California Constitution; and

WHEREAS, pursuant to the authority granted the City by Article XI, Section 7 of the California Constitution, the City has the police power to adopt regulations designed to promote the public convenience or the general prosperity, as well as regulations designed to promote the public health, the public morals or public safety; and

WHEREAS, comprehensive zoning regulations and regulations upon the use of land and property lie within the City's police power; and

WHEREAS, on November 5, 1996, California voters approved Proposition 215, the Compassionate Use Act of 1996, codified at California Health and Safety Code section 11362.5, the intent of which was to enable persons who are in need of marijuana for medical purposes to obtain and to use it under limited, specified circumstances; and

WHEREAS, on January 1, 2004, Senate Bill 420 codified as California Health and Safety Code section 11362.7 et seq. and entitled the "Medical Marijuana Program" became law to clarify the

scope of the Compassionate Use Act. Pursuant to California Health and Safety Code section 11362.77(a), a qualified patient or primary caregiver may possess no more than eight ounces of dried marijuana per patient. In addition, they may also maintain no more than six mature or twelve immature marijuana plants per patient unless a doctor authorizes an additional amount; and

WHEREAS, the Compassionate Use Act is limited in scope in that it only provides a defense from criminal prosecution for possession and cultivation of marijuana to qualified patients and their primary caregivers. The Medical Marijuana Program is also limited in scope in that it establishes a statewide identification program and affords qualified patients, persons with identification cards, and their primary caregivers an affirmative defense to certain enumerated criminal sanctions that would otherwise apply to transporting, processing, administering or distributing marijuana; and

WHEREAS, on October 9, 2015, Governor Brown signed into legislation the Medical Marijuana Regulation and Safety Act which consists of three discrete pieces of legislation (SB 643, AB 243, and AB 266) and which generally governs the licensing and the control of medical marijuana businesses in California; and

WHEREAS, neither the Compassionate Use Act, the Medical Marijuana Program, nor the Medical Marijuana Regulation and Safety Act require or impose an affirmative duty or mandate upon local governments to allow, authorize or sanction the establishment and the operation of facilities for distribution, cultivation, manufacturing or processing medical marijuana within its jurisdiction; and

WHEREAS, the Medical Marijuana Regulation and Safety Act expressly protects local licensing practices, zoning ordinances, and local actions taken under the City's constitutional police power. The Medical Marijuana Regulation and Safety Act also contains new statutory provisions that

- (1) Allow local governments to enact ordinances expressing their intent to prohibit the cultivation of marijuana and their intent not to administer a conditional permit program pursuant to California Health and Safety Code section 11362.777 for the cultivation of marijuana [Health and Safety Code section 11362.777(c)(4)];
- (2) Expressly provide that the Act does not supersede or limit local authority for local law enforcement activity, enforcement of local ordinances or enforcement of local permit or licensing requirements regarding marijuana [California Business and Professions Code section 19315(a)];
- (3) Expressly provide that the Act does not limit the authority or remedies of a local government under any provision of law regarding marijuana including,

but not limited to, a local government's right to make and to enforce within its limits all regulations not in conflict with general laws [California Business and Professions Code section 19316(c)];

- (4) Require a local government that wishes to prevent marijuana delivery activity, as defined in California Business and Professions Code

WHEREAS, according to the provisions of the Medical Marijuana Regulation and Safety Act, unless local agencies have a land use ordinance in place by March 1, 2016 that expressly regulates or prohibits the cultivation of marijuana and/or the delivery of medical marijuana within their jurisdictions, these activities will be permitted and regulated by the State under the Medical Marijuana Regulation and Safety Act; and

WHEREAS, The California Supreme Court has made clear that neither the Compassionate Use Act nor the Medical Marijuana Program expressly or impliedly preempts the authority of cities or counties, under their traditional land use and police powers, to allow, restrict, limit or entirely exclude facilities that distribute medical marijuana. The Medical Marijuana Program allows cities and counties to adopt local ordinances that regulate the location, operation or establishment of medical marijuana collectives and to enforce such ordinances. (City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc. 56 Cal. 4th 729 (2013); Health and Safety Code section 11362.83); and

WHEREAS, marijuana remains an illegal substance under the Federal Controlled Substances Act, 21 USC 801 et seq., which makes it unlawful for any person to cultivate, manufacture, distribute or dispense, or possess with intent to manufacture, distribute or dispense marijuana. The Federal Controlled Substances Act contains no statutory exemption for the cultivation of marijuana for medical purposes; and

WHEREAS, the City has received numerous inquiries from collectives and cooperatives and from individuals unaffiliated with a collective or a cooperative that seek to open medical marijuana businesses within the City, including dispensaries, cultivation operations, and manufacturing facilities. Other than a prohibition on dispensaries and a temporary prohibition on cultivation activities and additional manufacturing facilities, the City has not yet adopted land use controls or regulations or requirements for the operation of such facilities once established; and

WHEREAS, one medical marijuana edible manufacturing and wholesale distribution facility, operated by a cooperative, has established and has begun operating within the City. The City has not yet adopted land use controls or regulations or requirements for the operation of such facilities; and

WHEREAS, without sufficient regulations and standards in effect and which are enforceable pursuant to an adopted ordinance, there is a current and immediate threat to the public health, safety, and welfare from the establishment of additional medical marijuana-related businesses in the City; and

WHEREAS, marijuana plants, as they begin to flower and for a period of two months or more, produce a strong odor, which may be offensive to some people, and detectable well-beyond property boundary lines. The strong smell of marijuana creates an attractive nuisance, alerting persons to the location of valuable plants and creating a risk of burglary, robbery or armed robbery; and

WHEREAS, the indoor cultivation of marijuana has a potential adverse effect to the structural integrity of the building, and the use of high-wattage grow lights and excessive use of electricity increases the risk of fire which presents a clear and present danger to the building and its occupants; and

WHEREAS, the Attorney General's 2008 Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use recognizes that cultivation or other concentration of marijuana in any location of premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering or crime; and

WHEREAS, Salinas Charter section 3 vests in the City Council all municipal powers not inconsistent with the California Constitution; and

WHEREAS, Salinas Municipal Code section 37-10.190 provides that the zoning regulations set forth in the Zoning Code (Chapter 37 of the Salinas Municipal Code) are the minimum requirements to promote and to preserve the public health, safety, and welfare of the people; and

WHEREAS, Salinas Municipal Code section 37-20.020 provides that unless a use is specifically identified under the use classifications for the zoning districts, it is not permitted in the district and that a proposed unlisted use may be permitted as a principal, conditional, temporary, or accessory use within a base district if the City Planner determines that such use falls within the purpose and intent of the base district, is of a comparable nature with similar environmental impacts to the principal, accessory, or conditional uses set forth as permitted in the base direct, is not listed in another base district, and will not be detrimental to property in the vicinity of such use; and

WHEREAS, the City Council desires to establish reasonable land use controls and reasonable regulations on the operation of medical marijuana-related businesses which are intended to operate in conjunction with the Salinas Zoning Code's land use regulations and which are intended to address the negative impacts and nuisance impacts of marijuana-related businesses; and

WHEREAS, medical marijuana-related businesses will be subject to the zoning and land use regulations of the zoning district in which such business establish and operate, as set forth in Chapter 37 of the Salinas Municipal Code (the Salinas Zoning Code); and

WHEREAS, the Salinas City Council finds that the adoption of this ordinance is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF SALINAS as follows:

SECTION 1. Ordinance No. 2563 is hereby repealed in its entirety.

SECTION 2. Chapter 16B of the Salinas Municipal Code titled "Medical Marijuana Dispensaries" is hereby repealed in its entirety and replaced with the following:

Chapter 16B. Commercial Cannabis Activity.

Article 1. Purpose and Intent.

Section 16B.10.10. It is the purpose and intent of this Chapter to accommodate the needs of medically-ill persons in need of marijuana for medical purposes while imposing regulations on the use of land to protect Salinas's neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this Chapter to regulate the distribution, cultivation, and manufacturing of cannabis and cannabis-related products in a manner which is responsible and which protects the health, safety, and welfare of the residents of Salinas; to enforce rules and regulations consistent with State law including, but not limited to, the Compassionate Use Act, the Medical Marijuana Program Act, and the Medical Marijuana Regulation and Safety Act. In part to meet these objectives, an annual permit shall be required in order to own and to operate a commercial cannabis business within Salinas. Nothing in this Chapter is intended to authorize the cultivation, possession or use of marijuana for non-medical purposes in violation of State or Federal law. The provisions of this Chapter are in addition to the business license otherwise required to conduct business in Salinas and in addition to permits and approvals otherwise required.

Section 16B-10.20. Legal Authority. Pursuant to Section 7 of Article XI of the California Constitution, the City of Salinas is authorized to adopt ordinances that establish standards, requirements, and regulations for local licenses and permits for commercial cannabis activity. Any standards, requirements, and regulations regarding health and safety, testing, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the city of Salinas to commercial cannabis activity.

Article 2. Definitions.

Section 16B-20.10. When used in this Chapter, the following words shall have the meanings ascribed to them in this section. Any reference to California statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

- (a) "Cannabis" means all parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from marijuana. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, "cannabis" does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- (b) "Cannabis concentrate" means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product's potency. An edible medical cannabis product is not considered food, as defined by Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.
- (c) "Caregiver" or "primary caregiver" has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.

- (d) "Commercial cannabis activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medical cannabis or a medical cannabis product, except as set forth in California Business and Professions Code Section 19319, related to qualifying patients and primary caregivers.
- (e) "Commercial cannabis business" means any business or operation which engages in commercial cannabis activity.
- (f) "Commercial cannabis permit" means a permit issued by the City of Salinas pursuant to this Chapter to a commercial cannabis business.
- (g) "Cultivation" means any activity involving the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- (h) "Cultivation site" means a facility where medical cannabis is propagated, planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, that holds a valid state license pursuant to the Medical Marijuana Regulation and Safety Act and that holds a permit issued by the City of Salinas.
- (i) "Delivery" means the commercial transfer of medical cannabis or medical cannabis products from a dispensary, up to an amount determined by the State of California, or any of its departments or divisions, to a primary caregiver or qualified patient, or a testing laboratory. "Delivery" also includes the use by a dispensary of any technology platform owned and controlled by the dispensary, or independently licensed by the State of California under Medical Marijuana Regulation and Safety Act (as the same may be amended from time-to-time), that enables qualified patients or primary caregivers to arrange for or facilitate the commercial transfer by a licensed dispensary of medical cannabis or medical cannabis products.
- (j) "Dispensary" means a facility where cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, medical cannabis and medical cannabis products as part of a retail sale.
- (k) "Dispensing" means any activity involving the retail sale of medical cannabis or medical cannabis products from a dispensary.

- (l) "Distribution" means the procurement, sale, and transport of medical cannabis or medical cannabis products between entities licensed pursuant to the Medical Marijuana Regulation and Safety Act and any subsequent State of California legislation regarding the same.
- (m) "Distributor" means a person licensed under the Medical Marijuana Regulation and Safety Act and any subsequent State of California legislation to engage in the business of purchasing medical cannabis from a licensed cultivator, or medical cannabis products from a license manufacturer, for sale to a licensed dispensary.
- (n) "Dried flower" means all dead medical cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- (o) "Edible cannabis product" means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible medical cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.
- (p) "License" means a permit issue a license by the State of California, or one of its departments or divisions, under the Medical Marijuana Regulation and Safety Act to engage in commercial cannabis activity.
- (q) "Live plants" means living medical cannabis flowers and plants, including seeds, sprouts, immature plants (including unrooted clones), and vegetative stage plants.
- (r) "Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured medical cannabis, as defined in this section, or medical cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages medical cannabis or medical cannabis products or labels or relabels its container, that holds a valid state license pursuant to the Medical Marijuana Regulation and Safety Act and that holds a permit issued by the City of Salinas.
- (s) "Manufactured cannabis" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate or manufactured product intended for internal consumption or topical application.

- (t) "Manufacturing site" means a location that produces, prepares, propagates, or compounds medical cannabis or medical cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a license by the State of California, or one of its departments or divisions, for these activities.
- (u) "Medical cannabis", "medical cannabis product," or "cannabis product" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California Health and Safety Code (as the same may be amended from time-to-time). For purposes of this Chapter, "medical cannabis" does not include industrial hemp as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- (v) "Patient" or "qualified patient" shall have the meaning given that term by California Health and Safety Code Section 11362.7, but who does not have an identification card issued by the State Department of Health Services.
- (w) "Person" means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.
- (x) "Person with an identification card" shall have the meaning given that term by California Health and Safety Code Section 11362.7.
- (y) "Topical cannabis" means a product intended for external use. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.
- (z) "Transport" means the transfer of medical cannabis or medical cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized by the Medical Marijuana Regulation and Safety Act.
- (aa) "Transporter" means a person issued a state license by the State of California, or one of its departments or divisions, to transport medical cannabis or medical cannabis

products in an amount above a threshold determined by the State of California, or one of its departments or divisions, that have been issued a State license pursuant to the Medical Marijuana Regulation and Safety Act.

Article 3. General Provisions.

Section 16B-30.10. Licenses and Permit, Required.

- (a) In addition to those other requirements which may be imposed pursuant to this Chapter, no person shall engage in commercial cannabis activity or open or operate a commercial cannabis business without possessing both a commercial cannabis permit issued by the City of Salinas and within one (1) year of the ability to obtain a license from the State of California upon implementation of the Medical Marijuana Regulation and Safety Act, a license issued by the State of California or one of its departments or divisions. Commercial cannabis activity shall be permitted in the city of Salinas only as expressly provided in this Chapter and if not expressly permitted by this Chapter shall be prohibited.
- (1) Each commercial cannabis business permit issued pursuant to this Chapter shall expire twelve (12) months after the date of its issuance.
 - (2) An application for renewal of a commercial cannabis permit shall be filed at least sixty (60) calendar days prior to the expiration date of the permit.
 - (3) An application for renewal of a commercial cannabis permit shall be rejected if any of the following exists:
 - a. The application is filed less than sixty (60) days before its expiration.
 - b. The commercial cannabis permit is suspended or revoked at the time of the application.
 - c. The commercial cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
 - d. The commercial cannabis business fails to conform to the requirements of this Chapter and any regulations adopted pursuant to this Chapter.
 - e. The permittee fails to renew its State of California license.
 - (4) If a renewal application is rejected, a person may file a new application pursuant to this Chapter.
- (b) Prior to commencing operation, a commercial cannabis business shall obtain a City of Salinas business license and comply with all applicable provisions and requirements of that license.

- (c) Prior to commencing operation, a commercial cannabis business shall be subject to a mandatory building inspection and must obtain all required permits or approvals which would otherwise be required including, but not limited to, a building permit(s), Salinas Fire Department permit(s), and planning-level permit(s) required by Chapter 37 of the Salinas Municipal Code.
- (d) Revocation, termination, or suspension of a license issued by the State of California, or any of its departments or divisions, shall immediately terminate the ability of a medical cannabis business to operate within the city of Salinas until the State of California, or its respective department or division, reinstates or reissues the State license.

Section 16B-30.20. Existing Commercial Cannabis Businesses. A commercial cannabis business operating in compliance with existing Municipal Code provisions at the time this Chapter becomes effective may continue its current operations; provided, however, that in order to continue operating such commercial cannabis business must apply for a commercial cannabis permit pursuant to this Chapter and otherwise meet all other conditions and requirements of this Chapter imposed on newly established commercial cannabis businesses. As of the introduction date of this Chapter, only one such commercial cannabis business is known to exist; however, any facility or entity that can demonstrate to the City's satisfaction prior to the adoption of the ordinance establishing this Chapter that it was in operation, in good standing, and otherwise in compliance with all applicable local and state laws and regulations promulgated thereunder may be permitted to continue its current operations pursuant to this section.

Section 16B-30.30. Records and Recordkeeping.

- (a) On no less than an annual basis (at or before the time of the renewal of a commercial cannabis permit issued pursuant to this Chapter) or at any time upon reasonable request of the City of Salinas, each commercial cannabis business shall file a sworn statement with the Chief of Police indicating the number of patients, collectives, and primary caregivers served by the commercial cannabis business within the previous twelve-month period (or shorter period based upon the timing of the request).
- (b) Each owner and/or operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of all employees currently employed by the commercial cannabis business and shall disclose such register to any City of Salinas official upon request.
- (c) Each commercial cannabis business shall maintain a record of all patients, collectives, and primary caregivers served by the commercial cannabis business.

Section 16B-30.40. Security Measures. The Chief of Police is authorized to promulgate all regulations necessary to implement the requirements and fulfill the policies of this Chapter related to commercial cannabis businesses including, but not limited to, the following subjects:

(a) A permitted commercial cannabis business shall implement sufficient security measures to both deter and to prevent unauthorized entrance into areas containing medical cannabis or medical cannabis products and theft of medical cannabis or medical cannabis products at the commercial cannabis business. Except as may otherwise be determined by the Chief of Police, these security measures shall include, but shall not be limited to, all of the following:

- (1) Preventing individuals from remaining on the premises of the commercial cannabis business if they are not engaging in the activity expressly related to the operations of the commercial cannabis business.
- (2) Establishing limited access areas accessible only to authorized commercial cannabis business personnel.
- (3) Except for live growing plants which are being cultivated at a cultivation facility, all medical cannabis and medical cannabis products shall be stored in a secured and locked room, safe, or vault. All medical cannabis and medical cannabis products, including live plants which are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes or immediate sale at a dispensary.
- (4) Installing 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises and to monitor all interior spaces within the commercial cannabis business which are open and accessible to the public. The security surveillance cameras shall be remotely accessible to the Salinas Police Department and shall be compatible with the Salinas Police Department's software and hardware and remote real-time, live access to the video footage from the cameras shall be provided to the Salinas Police Department. Video recordings shall be maintained for a minimum of forty-five (45) days.
- (5) Sensors shall be installed to detect entry and exit from all secure areas.
- (6) Panic buttons shall be installed in all commercial cannabis businesses.
- (7) Having a professionally installed, maintained, and monitored alarm system.
- (8) Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building.
- (9) Security personnel hired by the commercial cannabis business shall be subject to the prior review and approval of the Chief of Police or his designee.

- (10) Each commercial cannabis business shall have the capability to remain secure and operational during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
- (b) Each commercial cannabis business shall identify a liaison to the Salinas Police Department who shall be reasonably available to meet with the Chief of Police or his designees regarding security measures and operational issues.
- (c) As part of the application and permitting process, each commercial cannabis business shall have a transportation plan describing the procedures for safely and securely transporting cannabis and cannabis products and currency.
- (d) A commercial cannabis business shall notify the Chief of Police within twenty-four (24) hours after discovering any of the following:
 - (1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the Chief of Police.
 - (2) Diversion, theft, loss, or any criminal activity involving the commercial cannabis business or any agent or employee of the commercial cannabis business.
 - (3) The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the commercial cannabis business.
 - (4) Any other breach of security.

Section 16B-30.50. Employees; Employee Work Permits; Identification

- (a) Work permit required. Any person who is an employee or who otherwise works or volunteers within a commercial cannabis business must obtain a work permit from the Chief of Police. The Chief of Police is hereby authorized to promulgate all regulations necessary to implement the work permit process contemplated in this section including, but not limited to, the reasons for denial of a work permit to any person. A work permit shall be valid for a twelve (12) month period and must be renewed on an annual basis. Applications for work permits shall be submitted under oath and shall contain a statement of the past criminal record, if any, of the applicant and such information as may be deemed necessary by the Chief of Police to determine whether the applicant is a proper person to be issued a work permit. The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the Chief of Police. In the event a person changes employment from one commercial cannabis

business within the city to another, the work permit holder shall notify the Chief of Police in writing of the change of employment within ten (10) days of such change or the work permit shall be suspended or revoked and such person shall not be permitted to work within any commercial cannabis business within the city.

- (b) Identification. Each person to whom a work permit is issued shall wear his or her personal identification card, issued by the City of Salinas, at a prominent and readily-visible location on the outermost garment and approximately chest-high. Such identification card shall at all times be in good and readable condition.
- (c) Employee Records. Each owner or operator of a commercial cannabis business shall maintain on-site a current register of all the employees currently employed by the commercial cannabis business and shall produce such register to the Chief of Police, his designee, or any other City of Salinas official authorized to enforce the Salinas City Code for purposes of determining compliance with this Chapter.
- (d) Fees. Each application for a work permit and renewal of an existing work permit shall be accompanied by a fee set by resolution of the City Council and shall be valid for a period of twelve (12) months from the date of issuance, unless terminated, suspended, or revoked sooner. The fee is non-refundable and shall not be returned in the event the work permit is denied, revoked, or suspended.

Section 16B-30.60. Right to Occupy and to Use Property. As a condition precedent to the City's issuance of a commercial cannabis permit pursuant to this Chapter, any person intending to open and to operate a commercial cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location is leased from another person, the applicant for a permit under this Chapter shall provide a signed and notarized statement from the owner of the property to demonstrate the property owner has acknowledged and has consented to the operation of a commercial cannabis business on the property.

Section 16B-30.70. Location of Commercial Cannabis Business; Proximity to Sensitive Uses.

- (a) No commercial cannabis business may operate within one thousand (1,000) feet of any of the following:
 - (1) school, college or university (whether public, private, charter, or other school),
 - (2) church or other house of worship,
 - (3) park, children's playground, daycare, or library,

(4) smoke-shops, hookah lounges or businesses engaged in the same or a similar activity, and alcohol-related uses as the same are defined in Chapter 37 of the Salinas Municipal Code,

(5) card rooms and retail firearm sales businesses,

(6) any other commercial cannabis business operating as a dispensary, excepting therefrom the occasional and transient operation of a commercial cannabis delivery business and also excepting therefrom commercial cannabis businesses operating from within the same building or on the same parcel of property, or

(7) any other public or private business or facility where the presence of the commercial cannabis activity would cause a public nuisance or other situation which may result in repeated police department response.

Upon denial of a commercial cannabis permit based on any of the limitations set forth in this subsection, the applicant may appeal such denial to the Planning Commission which may grant an exception to the limitations set forth in this subsection upon findings that the intent of this Chapter shall otherwise be met. No such exception shall be granted, however, for the distance limitations from those uses listed in subsections (a)(1) and (a)(3). The decision of the Planning Commission may be appealed to the City Council which shall make the final determination.

(b) No commercial cannabis business may operate within any wholly residential area or district of the city or adjacent to a residential area or district if, in the opinion of the Police Chief or the Community Development Director, the operation of a commercial cannabis business in such location would tend to cause a public nuisance or a situation which may result in repeated Police Department response or a negative impact on the adjacent residential units.

(c) Commercial cannabis businesses shall be required to comply with all zoning, land use, and development regulations applicable to the underlying zoning district in which they are permitted to establish and operate as set forth in Chapter 37 of the Salinas Municipal Code.

(d) Any commercial cannabis business which has been determined by the City of Salinas to be an existing commercial cannabis business on the effective date of this Chapter shall be exempt from compliance with the limitations proscribed in this section, unless such location is otherwise determined to constitute a public nuisance or otherwise a

disturbance to the adjacent or neighboring uses as determined by the provisions of this Chapter.

Section 16B-30.80. Restriction on Alcohol Sales. No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the commercial cannabis business. No commercial cannabis business may operate at the same location as an alcohol-related use as that term is defined in Chapter 37 of the Salinas Municipal Code.

Section 16B-30.90. Concurrent Regulation with State. It is the stated intent of this Chapter to regulate commercial cannabis activity in the city of Salinas concurrently with the state of California.

Section 16B-30.100. Compliance with Laws.

It is the responsibility of the owners and operators of the commercial cannabis business to ensure that it is, at all times, operating in a manner compliant with all applicable state and local laws and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions which violate state law or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and the operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, the 2008 Attorney General Guidelines, , any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis permit. Nothing in this Chapter shall be construed as authorizing any actions which violate State law with regard to the operation of a commercial cannabis business.

Section 16B-30.110. Inspection and Enforcement.

- (a) The Chief of Police and any other City of Salinas official charged with enforcing the provisions of the Salinas Municipal Code, or any provision thereof, may enter the location of a commercial cannabis business at any time during the hours of operation without notice and inspect the location of any commercial cannabis business as well as the recordings and records maintained pursuant to this Chapter or the applicable provisions of State law.
- (b) It is unlawful for any person having any responsibility over the operation of a commercial cannabis business to refuse to allow, impede, obstruct, or interfere with an inspection, or the review of the copying of records and monitoring (including recordings) including, but not limited to, the concealment, destruction, and falsification of any recordings or records.

- (c) The Chief of Police or his designee or any other person charged with enforcing the provisions of this Chapter may enter the location of a commercial cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for law enforcement and/or public safety purposes. Any samples obtained by the City of Salinas shall be logged, recorded, and maintained in accordance with Salinas Police Department standards for evidence. At all other times, the Chief of Police or his designee may enter the location of a commercial cannabis business to obtain samples of cannabis upon reasonable notice.

Section 16B-30.120. Fees and Charges.

- (e) No person may commence or continue any commercial cannabis activity in the city of Salinas without timely paying in full all fees and charges associated with the operation of a commercial cannabis activity. Fees and charges associated with the operation of a commercial cannabis activity shall be established by resolution of the City Council.
- (f) All commercial cannabis businesses operating pursuant to this Chapter shall pay any and all applicable sales, use, business or other taxes, and all license, registration, or other fees pursuant to federal, state, and local law.

Section 16B-30.130. Violation and Enforcement.

- (a) Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.
- (b) Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Salinas Municipal Code. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, disgorgement any payment to the City of Salinas of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City of Salinas may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis activity or persons related thereto, or associated with, the commercial cannabis activity. Additionally, when the Chief of Police or his designee determines there is an imminent threat to public health, safety or welfare, the commercial cannabis permit, issued by the City of Salinas pursuant to this Chapter, shall immediately become suspended, pending a hearing before the Salinas Planning Commission.

- (c) Each and every violation of the provisions of this Chapter may be prosecuted as a misdemeanor and upon conviction subject to a fine not to exceed one thousand dollars (\$1,000) or imprisonment in the County Jail for a period of not more than twelve (12) months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.
- (d) Notwithstanding an initial verification of compliance by the commercial cannabis activity with the provisions of this Chapter, any commercial cannabis business later found to be in violation of any of the requirements of this Chapter at any time is subject to the enforcement provisions provided in this section.
- (e) The remedies provided herein are not to be construed as exclusive remedies and in the event of a violation the City may pursue any proceedings or remedies otherwise provided by law.

Section 16B-30.140. Limitations on City's Liability. To the fullest extent permitted by law, the City of Salinas shall not assume any liability whatsoever with respect to having issued a commercial cannabis permit pursuant to this Chapter or otherwise approving the operation of any commercial cannabis business pursuant to this Chapter. As a condition of approval of any commercial cannabis permit issued pursuant to this Chapter, the person to which a commercial cannabis permit is issued shall be required to meet all of the following conditions:

- (a) Execute an agreement indemnifying, defending (at its sole cost and expense), and holding the City of Salinas and its officers, employees, representatives, and agents harmless from any and all claims, losses, damages, injuries or liabilities associated with the permitting or approving the operation of a commercial cannabis activity or the operation thereof or associated with the commercial cannabis business or its members' violation of any federal, state or local laws.
- (b) Maintain insurance at coverages, limits, and with conditions thereon determined necessary by the City Attorney.
- (c) Reimburse the City of Salinas for any and all costs and expenses, including attorney fees and costs and court costs that the City of Salinas may be required to pay as a result of any legal challenge related to the City's approval of a commercial cannabis permit pursuant to this Chapter or the City of Salinas's approval of the operation of a commercial cannabis activity. The City of Salinas may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the obligations imposed under this section.

Section 16B-30.150. Application Procedures and Application Requirements; Permittee Selection Process; Criteria for Review; Renewal, Suspension or Revocation of a Permit; Appeals. In addition to those requirements set forth in this section and elsewhere in this Chapter, the City Council shall by resolution or ordinance adopt such forms, fees, and procedures as are necessary to implement this Chapter with respect to the initial selection, future selection, investigation process, renewal, revocation, and suspension of commercial cannabis business permits and appeals for the revocation or suspension of a commercial cannabis permit.

(a) At a minimum, the application shall contain the following requirements:

- (1) The printed full name, signature, date of birth, social security number, and present address and telephone number of all persons and entities responsible for the operation of the commercial cannabis business including managers, corporate officers, investors, any individual with an ownership interest, any member of a board of directors, any general or limited partner, and/or any member of a decision-making body for the commercial cannabis business.
- (2) The address to which correspondence from the City of Salinas is to be sent.
- (3) The names and addresses of all businesses operated by and the employment of the applicant(s) for the five (5) years immediately preceding the date of the application.
- (4) Any litigation in which the applicant(s) has been involved within the five (5) years immediately preceding the date of the application and a statement of whether any business currently operated by the applicant(s) or operated by the applicant(s) within the five (5) years immediately preceding the date of the application has been investigated or the permit or license authorizing the operation of such business has been revoked or suspended within the five (5) years immediately preceding the date of the application.
- (5) A copy of the owner and manager's medical cannabis identification card, until the requirements of a collective are no longer required by State law.
- (6) The approximate number of licensed patients, primary caregivers, and/or qualified patients whom will be served by the commercial cannabis business.
- (7) The address of any commercial cannabis business currently being operated by the applicant(s), or any of them, or which have been previously operated by them
- (8) The supply sources for all cannabis and cannabis products sold at the commercial cannabis business. Product supply chain including the site(s) where cultivation occurs, the product is processed or manufactured, any required testing of cannabis or cannabis products, transportation, and packaging and labelling criteria.

- (9) The names and telephone numbers of the person(s) to be regularly engaged in the operation of the proposed commercial cannabis business, whether an employee, volunteer or contractor. The application shall also have the names and telephone numbers of those persons having management and supervisory responsibilities for the proposed commercial cannabis business.
- (10) Odor control devices and techniques to prevent odors from marijuana from being detectable off-site.
- (11) Procedures for identifying, managing, and disposing of contaminated, adulterated, deteriorated or excess medical cannabis product.
- (12) Procedures for inventory control to prevent diversion of cannabis and cannabis product, employee screening, storage of cannabis and cannabis product, personnel policies, and record-keeping procedures.
- (13) A detail of the procedures to be utilized at the facility including a description of how chemicals and fertilizers will be stored, handled, used and disposed of; manufacturing methods, the transportation process, inventory procedures, and quality control procedures.
- (14) Until the implementation of the Medical Marijuana Regulation and Safety Act, evidence that the person operating the commercial cannabis business is organized as a bona fide not for profit corporation, affiliation, association, or licensee of persons comprised exclusively and entirely of qualified patients and the primary caregivers of those patients in strict accordance with the Compassionate Use Act of 1996, the Medical Marijuana Program Act, and the 2008 Attorney General Guidelines.
- (15) A site plan and floor plan of the commercial cannabis business denoting the property lines and the layout of all areas of the commercial cannabis business including storage, cultivation, manufacturing, testing, distributing, reception/waiting, dispensing, and all ancillary support spaces, and the relationship of the facility to adjacent properties and land uses.
- (16) Size, height, colors, and design of any proposed signage at the site. A City of Salinas sign permit issued pursuant to the Salinas Municipal Code shall be required.
- (17) An operations and security plan.
- (18) Standard operating procedures detailing how operations will comply with state and local regulations, how safety and quality of products will be ensured, record-keeping procedures for financing, testing, and adverse event recording, and product recall procedures.
- (19) Proposed hours of operation.
- (20) Recycling and Waste disposal information.

- (21) Medical recommendation verification and youth access restriction procedures.
 - (22) 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.
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- (b) No person who has been convicted of a felony or crime of moral turpitude within the past ten (10) years may be engaged (actively or passively) in the operation of any commercial cannabis business. A conviction within the meaning of this sections means a plea or verdict of guilty or a conviction following a plea of nolo contendere.
 - (c) The Chief of Police or his designee shall review each application to determine whether it contains all of the required information. If the application does not contain all of the required information, it shall be returned to the applicant for completion. The Chief of Police or his designee shall endeavor to conclude their review within ninety (90) days of the filing of the application. If additional time is necessary, the Chief of Police or his designee will advise the applicant of an estimated review time.
 - (d) In reviewing an application for a permit pursuant to this Chapter or in reviewing the proposed commercial cannabis business, the Chief of Police or his designee may request whatever additional information is deemed necessary to carry out the purposes of this Chapter.
 - (e) The Chief of Police or his designee shall have the authority to either grant or deny the application for a commercial cannabis permit. Notwithstanding what is otherwise provided in this Chapter, the Chief of Police and his designees, when approving a commercial cannabis permit, may place any additional limitations and conditions on the operation of a commercial cannabis business as he or she deems necessary, consistent with the public interest and with this Chapter.
 - (f) When an application is denied, the Chief of Police or his designee shall prepare and file a statement of decision giving the reasons for the denial and the findings of fact upon which the decision is based. Any person denied a commercial cannabis permit shall have the right to appeal such denial in accordance with this section.
 - (g) In addition to whatever additional findings may be made by the Chief of Police, or the Planning Commission or the City Council in the event of an appeal initiated pursuant to this section, an application for a commercial cannabis permit may be denied upon making any of the following findings:

- (1) The applicant made one or more false or misleading statements or omissions on the registration application or during the application process.
 - (2) The commercial cannabis business is not organized in strict compliance with all applicable laws and regulations.
 - (3) The applicant is not a primary caregiver or qualified.
 - (4) The applicant fails to meet the requirements of this Chapter or any regulation adopted pursuant to this Chapter.
 - (5) The operation of the proposed commercial cannabis business at the proposed location is prohibited by any state or local law or regulation.
 - (6) Any person who is listed on the application has been convicted of a felony within the past ten (10) years. A conviction within the meaning of this section means a plea or a guilty verdict or a conviction following a plea of nolo contendere.
 - (7) Any person who is listed on the application is a licensed physician making patient recommendations for medical cannabis pursuant to State law.
 - (8) The applicant or the operator listed in the application is less than eighteen (18) years of age.
- (g) Whenever an appeal is provided for in this Chapter, such appeal shall be filed and conducted as prescribed in this subsection.

- (1) Within ten (10) calendar days after the date of any denial of an application or the suspension or the revocation of a permit by the Chief of Police or his designee, an aggrieved party may appeal such action by filing with the City Clerk a written appeal setting forth the reasons why such denial, suspension or revocation is not proper.
- (2) Upon receipt of such written appeal, the City Clerk shall set the matter for a hearing before the Planning Commission. The hearing shall be conducted pursuant to the procedures set forth by the City and shall be held within a reasonable time after the date of filing the appeal with the City, but in no event later than ninety (90) days from the date of such filing. At least ten (10) days prior to the date of the hearing on the appeal, the City of Salinas shall notify the appellant of the time and the place of the hearing. At such hearing, the Chief of Police or his designee and the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to such hearing.
- (3) At the conclusion of the hearing, the Planning Commission may affirm, reverse or modify the decision appealed.

- (4) The decision of the Planning Commission may be appealed to the City Council in accordance with this section. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter.

Section 16B-30.160. Records and Reporting.

- (a) Subject to the Health Insurance Portability and Accountability Act (HIPPA) regulations, each commercial cannabis business shall allow City of Salinas officials to have access to the commercial cannabis business's books, records, accounts, and any and all data relevant to its permitted activities for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data will be produced no later than twenty-four (24) hours after receipt of the City's request.
- (b) All commercial cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until purchase by or distribution to a qualified patient or primary caregiver.
- (c) All records required by this Chapter shall be maintained by the commercial cannabis business for a period of not less than three (3) years and shall otherwise keep accurate records of all commercial cannabis business activity and provide such records for inspection consistent with California Business and Professions Code section 19327 and any additional rules promulgated by the licensing authority pursuant to that section or the City Council by resolution or ordinance.

Section 16B-30.170. Prohibition on Transfer of Commercial Cannabis Permits.

- (a) No person shall operate a commercial cannabis business under a commercial cannabis permit issued pursuant to this Chapter at any place or location other than that identified on the permit.
- (b) No person shall transfer ownership or control of a commercial cannabis business or transfer a permit issued pursuant to this Chapter unless and until that person first obtains the consent of the Chief of Police or his designee and the proposed transferee submits all required application materials and pays all applicable fees and charges and independently meets the requirements of this Chapter such as to be entitled to the issuance of an original commercial cannabis permit pursuant to this Chapter.

- (c) Any attempt to transfer or any transfer of a commercial cannabis permit issued pursuant to this Chapter is hereby declared void and the commercial cannabis permit deemed immediately revoked and no longer of any force or effect.

Section 16B-30.180. Packaging and Labelling. Prior to the sale or the delivery of any edible cannabis or edible cannabis product the same shall be labelled and in tamper-evident packaging which at least meets the requirements of California Business and Professions Code section 19347, as the same may be amended from time-to-time or superseded or replaced by subsequent State legislation or by any department or division of the State of California. The City Council may impose additional packaging and labelling requirements on cannabis or cannabis products by resolution.

Section 16B-30.190. Operating Requirements. In addition to those operating requirements specifically set forth elsewhere in this Chapter and except as may otherwise be expressly set forth in this Chapter, the following operating requirements shall apply to all commercial cannabis businesses operating in the city of Salinas.

- (a) Hours of Operation. Commercial cannabis businesses operating as dispensaries may be open for access to the public only between the hours of 8:00 A.M. and 7:00 P.M. Monday through Saturday, and may not be open for access on Sundays. Other commercial cannabis businesses may operate only during the hours specified in the commercial cannabis permits issued by the City.
- (b) Restriction on Consumption. Cannabis shall not be consumed on the premises of any commercial cannabis businesses or elsewhere in the city of Salinas other than within private residences.
- (c) No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of the property. No outdoor storage of cannabis or cannabis products is permitted at any time.
- (d) Reporting and Tracking of Product and of Gross Sales. Each commercial cannabis business shall have in place a point-of-sale tracking system to track and to report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale) and shall ensure that such information is compatible with the City's record-keeping systems. The system must have the capability to produce historical transactional data for review by the City of Salinas. All information provided to the City pursuant to this subsection shall be

confidential and shall not be disclosed, except as may otherwise be required under the law.

- (e) All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the State and local regulations.
- (f) There shall not be a physician located in or around any commercial cannabis business at any time for the purpose of evaluating patients for the issuance of a medical marijuana prescription or card.
- (g) Prior to dispensing cannabis or cannabis products to any person, the commercial cannabis business shall obtain verification from the recommending physician that the person requesting cannabis or cannabis products is a qualified patient.
- (h) Emergency Contact. Each commercial cannabis business shall provide the Chief of Police with the name, telephone number (mobile preferred, if available) of an on-site employee or owner to whom emergency notice can be provided.
- (i) Signage and Notices.
 - (1) In addition to the requirements otherwise set forth in this section, business identification signage for a commercial cannabis business shall conform to the requirements of the Salinas Municipal Code, including, but not limited to, a issuance of a City of Salinas sign permit.
 - (2) Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No commercial cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the commercial cannabis business or elsewhere including, but not limited to, the public right-of-way.
 - (3) No signs placed on the premises of a commercial cannabis business shall obstruct any entrance or exit to the building or any window.
 - (4) Each entrance to a commercial cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming

cannabis on the premises or in the areas adjacent to the commercial cannabis business is prohibited.

- (5) Signage shall not be directly illuminated, internally or externally. No banners, flags or other prohibited signs may be used at any time.

- (j) Minors. Persons under the age of eighteen (18) years shall not be allowed on the premises of a commercial cannabis business and shall not be allowed to serve as a driver for a mobile delivery service unless such person is a qualified patient or a primary caregiver and they are in the presence of their parent or guardian.

It shall be unlawful and a violation of this Chapter for any person to employ any other person at a commercial cannabis business who is not at least eighteen (18) years of age.

The entrance to the commercial cannabis business shall be clearly and legibly posted with a notice that no person under the age of eighteen (18) years of age is permitted to enter upon the premises of the commercial cannabis business unless they are a qualified patient or a primary caregiver and they are in the presence of their parent or guardian.

- (k) Odor Control. Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from marijuana are not detectable off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the medical marijuana facility that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. As such, commercial cannabis businesses must install and maintain the following equipment or any other equipment which the Chief of Police or his designee determines has the same or better effectiveness:

- (1) an exhaust air filtration system with odor control that prevents internal odors from being emitted externally;

- (2) An air system that creates negative air pressure between the commercial cannabis business's interior and exterior so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.

- (l) Display of Permit and City Business License. The original copy of the permit issued by the City of Salinas pursuant to this Chapter and the business license issued by the City of Salinas pursuant to the Salinas Municipal Code shall be posted inside the commercial cannabis business in a location readily-visible to the public.

- (m) Background Check. Every person listed as an owner, manager, supervisor or employee of the commercial cannabis business must submit fingerprints and other information deemed necessary by the Chief of Police or his designee for a background check by the Salinas Police Department. No person shall be issued a permit to operate a commercial cannabis business unless they have first cleared the background check, as determined by the Chief of Police, as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City of Salinas to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis permit is submitted. The applicant(s) shall provide an initial deposit in an amount the Chief of Police or his designee estimates will cover the cost of the background investigation, which shall be used and drawn upon as a retainer to cover the actual costs of such investigation. If this amount is not sufficient, the applicant shall provide additional amounts that are necessary and if the applicant is unable to provide the additional amounts necessary to complete the investigation, the investigation shall cease and shall not continue until such additional amounts are paid. Upon completion of the investigation or in the event the applicant withdraws their application, any unused amount will be refunded to the applicant within thirty (30) days.

- (n) Loitering. The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.

- (o) Permits and other Approvals. Prior to the establishment of any commercial cannabis business or the operation of any such business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.

- (p) So long as SB 420 is in effect, and until implementation of the Medical Marijuana Regulation and Safety Act, members of the applicant authorized to possess cannabis shall sign an agreement with the commercial cannabis business which states that members shall not distribute cannabis or cannabis products to non-members or in violation of the

“Memorandum for all United States Attorneys,” issued by the United States Department of Justice, from James M. Cole, Deputy Attorney General.

- (q) So long as SB 420 is in effect and until implementation of the Medical Marijuana Regulation and Safety Act, all commercial cannabis businesses shall terminate the membership of any member violating any of the provisions of this Chapter.

Section 16B-30.200. Cultivation, manufacture, waste, and storage requirements.

A. Any person issued a permit pursuant to this chapter must follow all pesticide use requirements of local, state and federal law. The Monterey County Agricultural Commissioner may inspect the commercial cannabis business at any time during business hours to ensure compliance with this Section.

B. All weighing devices must be maintained in compliance with local, state or federal law and comply with applicable regulations regarding device registration with the Agricultural Commissioner.

C. Any person issued a permit pursuant to this chapter must follow all local, state and federal requirements for solid waste and hazardous waste disposal. The Monterey County Environmental Health Bureau may inspect the commercial cannabis business at any time during business hours to ensure compliance with this Section.

D. In no case shall any hazardous, flammable or explosive substances be used to process or manufacture cannabis products on site. The City of Salinas and Monterey County Environmental Health Bureau may inspect the commercial cannabis business at any time during business hours to ensure compliance with this Section.

E. All food products, food storage facilities, food-related utensils, equipment and materials shall be approved, used, managed and handled in accordance to the provisions of the California Retail Food Code, California Health and Safety Code sections 113700 – 114437. All food products shall be protected from contamination at all times, and all food handlers must be clean, in good health and free from communicable diseases. The Monterey County Environmental Health Bureau may inspect the commercial cannabis at any time during business hours to ensure compliance with this Section.

G. Baked products (e.g., brownies, bars, cookies, cakes), tinctures, and other non-refrigerated type items may be sold or distributed at a medical cannabis business. The Monterey County Environmental Health Bureau may inspect the commercial cannabis business at any time during business hours to ensure compliance with this Section.

Article 4. Dispensaries.

Section 16B-40.10. Limitation on the Number of Dispensaries; Review and Report of Findings.

- (a) No more than three (3) dispensaries may operate within the city of Salinas at any one time and no more than three (3) permits shall be issued by the City of Salinas for dispensaries to operate within the city of Salinas.
- (b) At the six-month anniversary and the twelve-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for dispensaries pursuant to this article (or as soon thereafter as the matter may be heard) the City Attorney, the Chief of Police, and the Community Development Director shall report to the City Council a report of findings on the operation of the dispensaries permitted pursuant to this article and at the six-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for dispensaries shall make a recommendation whether the dispensaries should be permitted to continue in operation for the remaining six (6) months of the initial term (in addition to whatever other recommendations may be made) and at the twelve-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for dispensaries whether the City should renew one or more of the permits for an additional twelve (12) month period.

Section 16B-40.20. Operating Requirements.

- (a) Verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and that the potential customer has a valid doctor's recommendation. Doctor recommendations are not to be provided at the dispensary.
- (b) Entrances into the dispensary shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the dispensary to separate it from the reception/lobby area. Individuals must show their cannabis card in order to gain access into the dispensary.
- (c) Uniformed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities.
- (d) Dispensaries may have on-site in the retail sales area of the dispensary only that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand readily available for sale.

- (e) All restroom facilities shall remain locked and under the control of management.

Article 5. Cultivation Facilities.

Section 16B-50.10. Limitation on the Number Cultivation Facilities. No more than three (3) cultivation facilities may operate within the city of Salinas at any one time and no more than three (3) commercial cannabis permits shall be issued by the City of Salinas for cultivation facilities to operate within the city of Salinas.

Section 16B-50.20. Periodic Review by the City Council. At the six-month anniversary and the twelve-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for cultivation facilities pursuant to this article (or as soon thereafter as the matter may be heard) the City Attorney, the Chief of Police, and the Community Development Director shall report to the City Council a report of findings on the operation of the cultivation facilities permitted pursuant to this article and at the six-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for cultivation facilities shall make a recommendation whether the cultivation facilities should be permitted to continue in operation for the remaining six (6) months of the initial term (in addition to whatever other recommendations may be made) and at the twelve-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for cultivation facilities whether the City should renew one or more of the permits for an additional twelve (12) month period. The City Council may conduct additional reviews beyond the initial twelve-month period.

Section 16B-50.30. Operating Requirements.

- (a) Outdoor Cultivation Prohibited. Except for the personal cultivation of a qualified patient or qualified caregiver for personal use or cultivation which occurs exclusively within one or more greenhouse facilities located in the appropriate zoning district, cultivation of cannabis must occur indoors. All outdoor cultivation not otherwise permitted by this section is prohibited.
- (b) In no case shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.
- (c) Association with Dispensaries. If a dispensary includes cultivation activities, the dispensary may have only one cultivation site upon which cannabis is cultivated, produced, stored, harvested, manufactured, or packaged, and each of the dispensary and the cultivation site must be separately permitted pursuant to this Chapter.

- (d) So long as SB420 is in effect, or until full implementation of the Medical Marijuana Regulation and Safety Act, no commercial cannabis business shall allow more medical cannabis plants or plants per member of a commercial cannabis business than the amounts permitted pursuant to State law, to be cultivated at the commercial cannabis business premises.
- (e) Cannabis cultivation shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.
- (f) Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.
- (g) In no case shall any hazardous, flammable or explosive substances be used to process or manufacture cannabis products on site.
- (h) The cultivation of cannabis shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the commercial cannabis business, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis for non-medical purposes.
- (i) All applicants for a cannabis cultivation permit shall submit the following in addition to the information generally otherwise required for a commercial cannabis business:
 - (1) A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities (indoor, mixed-light) and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting (indoor, mixed-light).
 - (2) A description of a legal water source, irrigation plan, and projected water use.
 - (3) Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.
 - (4) Plan for addressing odor and other public nuisances which may derive from the cultivation site.

Article 6. Delivery Services.

Section 16B-60.10. Permitted; Association with Dispensaries. Mobile delivery of cannabis shall be permitted pursuant to this Chapter. A mobile delivery service may operate only as a part of and in conjunction with a dispensary permitted pursuant to State law and pursuant to this section. Delivery of cannabis from a dispensary permitted pursuant to this Chapter can only be made in a city or county that does not expressly prohibit it by ordinance.

Section 16B-60.20. Limitation on the Number of Mobile Delivery Services. No more than three (3) mobile delivery services may operate within the city of Salinas at any one time and no more than three (3) mobile delivery service permits shall be issued by the City of Salinas for mobile delivery services to operate within the city of Salinas.

Section 16B-60.30. Periodic Review by the City Council. At the six-month anniversary and the twelve-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for mobile delivery services pursuant to this article (or as soon thereafter as the matter may be heard) the City Attorney, the Chief of Police, and the Community Development Director shall report to the City Council a report of findings on the operation of the mobile delivery services permitted pursuant to this article and at the six-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for mobile delivery services shall make a recommendation whether the mobile delivery services should be permitted to continue in operation for the remaining six (6) months of the initial term (in addition to whatever other recommendations may be made) and at the twelve-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for mobile delivery services whether the City should renew one or more of the permits for an additional twelve (12) month period. The City Council may conduct additional reviews beyond the initial twelve-month period.

Article 7. Manufactured Cannabis.

Section 16B-70.10. Cannabis Manufacturing: Edibles and Other Cannabis Products; Sale or Distribution of Edible and Other Cannabis Products. The manufacturing of food or other products infused with or which otherwise contain cannabis may be manufactured within the appropriate zoning districts as defined in Chapter 37 of the Salinas Municipal Code, subject to the regulations set forth in this section and subject to whatever additional regulations may be promulgated hereunder by an ordinance or resolution of the City Council or otherwise pursuant to this Chapter.

- (a) No edible cannabis products requiring refrigeration or hot-holding shall be sold or distributed at a commercial cannabis business operating under a permit issued pursuant to this Chapter.

- (b) Baked products (e.g., brownies, bars, cookies, cakes), tinctures, and other non-refrigerated type items may be sold or distributed at a commercial cannabis business operating under a permit issued pursuant to this Chapter.
- (c) All items to be sold or distributed shall be individually wrapped at the original point of preparation. Labeling must include a warning if nuts or other known allergens are used, and must include the total weight (in ounces or grams) of cannabis in the package. A warning that the item is a medication and not a food must be clearly legible on the front of the package. The package must have a label warning that the product is to be kept away from children. The label must also state that the product contains cannabis and must specify the date of manufacture.
- (d) Any edible cannabis product that is made to resemble a typical food product must be in a properly labeled opaque (non-see-through) package before it leaves the commercial cannabis business. Deliveries must be in a properly labeled opaque package when delivered.
- (e) Edible cannabis products being offered for sale or distribution must have been prepared by a member of that commercial cannabis business. No non-member edible cannabis products are allowed for sale or distribution at a commercial cannabis business.

Section 16B-70.20. Limitation on the Number of Commercial Cannabis Manufacturing Businesses. No more than three (3) commercial cannabis manufacturing businesses may operate within the city of Salinas at any one time and no more than three (3) commercial cannabis manufacturing permits shall be issued by the City of Salinas for commercial cannabis manufacturing businesses to operate within the city of Salinas.

Section 16B-60.30. Periodic Review by the City Council. At the six-month anniversary and the twelve-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for manufacturing activities pursuant to this article (or as soon thereafter as the matter may be heard) the City Attorney, the Chief of Police, and the Community Development Director shall report to the City Council a report of findings on the operation of the commercial cannabis businesses permitted pursuant to this article and at the six-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for manufacturing activities shall make a recommendation whether the manufacturing activities should be permitted to continue in operation for the remaining six (6) months of the initial term (in addition to whatever other recommendations may be made) and at the twelve-month anniversary of the date of the City's issuance of the initial commercial cannabis permits for manufacturing activities whether the City should renew one or more of the permits for an additional twelve (12) month period. The City Council may conduct additional reviews beyond the initial twelve-month period.

Section 16B-70.40. Cannabis Manufacturing: Extraction, etc. Cannabis manufacturing facilities requiring a Type-6 state license (non-volatile manufacturing) and cannabis manufacturing facilities requiring a Type-7 state license (volatile manufacturing) may be permitted to operate within the appropriate industrial districts as defined in the Chapter 37 of the Salinas Municipal Code.

Article 8. Application of Chapter; Other Legal Duties.

Section 16B-80.10. Promulgation of Regulations and Standards.

- (a) The City Manager is authorized to promulgate all regulations necessary to implement the requirements and fulfill the policies of this Chapter related to cannabis and cannabis products.
- (b) Regulations shall be published on the City's website.
- (c) Regulations promulgated by the City Manager shall have the same force and effect of law and become effective upon date of publication.

Section 16B-80.20. Community Relations.

- (a) Each commercial cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the commercial cannabis business can be provided. Each commercial cannabis business shall also provide the above information to all businesses and residences located within one hundred (100) feet of the commercial cannabis business and shall provide opportunity for those businesses and residents within one hundred (100) feet to visit and to tour the commercial cannabis business on a mutually convenient date and time.
- (b) During the first year of operation pursuant to this Chapter, the owner, manager, and community relations representative from each commercial cannabis business holding a permit issued pursuant to this Chapter shall attend a quarterly meeting with the City Manager or his designee to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter. After the first year of operation, the owner, manager, and community relations representative from each such commercial cannabis business shall meet with the City Manager or his designee when and as requested by the City Manager or his designee.
- (c) Commercial cannabis businesses to which a permit is issued pursuant to this Chapter develop and make available to youth organizations and educational institutions a public education plan that outlines the risks of youth addiction to marijuana and that identifies resources available to youth related to drugs and drug addiction.

Section 16B-80.30. Fees Deemed Debt to City of Salinas. The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the City of Salinas that is recoverable in any court of competent jurisdiction.

Section 16B-80.40. Permit Holder Responsible for Violations. The person to whom a permit is issued pursuant to this Chapter shall be responsible for all violations of the laws of the State of California or of the regulations and the ordinances of the City of Salinas, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence.

SECTION 3. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held invalid by a court of competent jurisdiction, such a decision shall not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases, be declared invalid.

SECTION 4. Effective Date. This ordinance shall be in full force and effect commencing thirty (30) days after its final passage and a summary hereof shall be published once within fifteen (15) days in the Salinas Californian, a newspaper of general circulation printed and published in the County of Monterey and circulated in the City of Salinas and hereby designated for that purpose by the Council of Salinas.

This Ordinance was introduced and read by title only on the 12th day of January 2016 and was passed and adopted on this 26th day of January 2016.

PASSED AND ADOPTED this 26th day of January 2016 by the following vote:

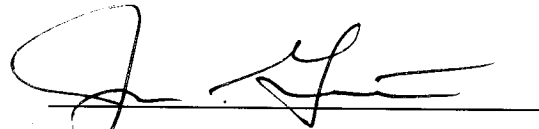
AYES: Councilmembers: Barrera, De La Rosa, Lutes and Mayor Gunter

NOES: Councilmembers: Castaneda and Craig

ABSENT: Councilmember McShane

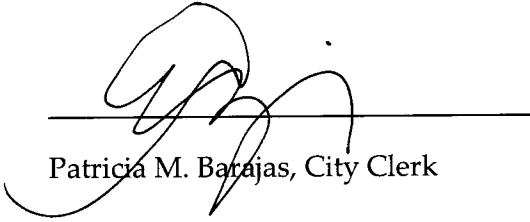
ABSTAIN: None

APPROVED:




Joe Gunter, Mayor

ATTEST:



Patricia M. Barajas, City Clerk

APPROVED AS TO FORM:



Christopher A. Callihan, City Attorney



January 12, 2016

CITY OF SALINAS

JAN 12 2016

CITY CLERKS OFFICE

VIA ELECTRONIC MAIL

City of Salinas
Attn: City Council; Ms. Patricia M. Barajas
200 Lincoln Avenue
Salinas, CA 93901

Dear Mr. Mayor And City Councilmembers:

I am writing today to support Item ID#15-503 on today's City Council Agenda and staff's recommendations regarding – an Ordinance related to the establishment and the regulation of commercial cannabis businesses in the City of Salinas.

On January 6, 2016, I submitted a letter with support materials to the Salinas Planning Commission. I also addressed, in person, the Commissioners at their last meeting. (See Attachment)

Since 2008, my firm – California Capitol Solutions, LLC – has worked with dozens of municipalities throughout the state to create effective regulations of medical cannabis businesses. In 2010, my team passed the state's most effective Medical Cannabis Ordinance in the City of Sacramento, wherein we successfully tax and regulate licensed medical cannabis businesses, including dispensaries.

The City of Salinas faces a tremendous opportunity: to embrace a new and exciting medical cannabis industry and provide the opportunity to create jobs, advance public safety, and support economic development in your community.

I look forward to working with you and the City of Salinas to create an effective ordinance to establish the regulation of commercial cannabis businesses. I do plan on attending today's meeting and addressing the City Council. Thank you.

Signed,

M. Max Del Real
President / CEO

Cc: Mr. Ray E. Corpuz, Jr., City Manager;
Mr. Christopher A. Callihan, City Attorney



January 6, 2016

VIA EMAIL

City of Salinas
Community Development Office
Attn: Salinas Planning Commission
65 West Alisal Street
Salinas, CA 93901

Dear Mr. Chairman And Planning Commissioners:

I am writing today to support Item ID #15-501 on today's Planning Commission agenda – an Ordinance Related to the Establishment of Regulations on Commercial Cannabis Businesses, in the City of Salinas.

Since 2008, my firm – California Capitol Solutions, LLC – has worked with dozens of municipalities throughout the state to create effective regulations of medical cannabis businesses. In 2010, my team passed the state's most effective Medical Cannabis Ordinance in the City of Sacramento, wherein we successfully tax and regulate licensed dispensaries.

In my experience, legitimate medical cannabis businesses in the City of Salinas can and will provide the following: *job creation, public safety, patient wellness, and economic development.*

I have included herein, to support your efforts, the Phase 1 and Phase 2 dispensary applications used by the City of Sacramento. Additionally, I have included a copy of the city's Dispensary Permit.

I look forward to working with you and the City of Salinas to create an effective ordinance to establish the regulations of commercial cannabis businesses. I do plan on attending today's meeting and addressing the Commission. Thank you.

Signed,



M. Max Del Real
President / CEO

Cc: Mr. Christopher A. Callihan



CITY OF SACRAMENTO
 DEPARTMENT OF FINANCE
 REVENUE DIVISION
 915 "I" Street
 Sacramento CA 95814
 916-808-

CALL
 我們講中文
 Hablamos español
 Мы говорим по русски
 ພວກເຮົາເວົ້າພາສາລາວ
 Peb hais lus Hmoob
 Chúng tôi nói tiếng Việt

MEDICAL MARIJUANA DISPENSARY APPLICATION - PHASE 1
 (Please Type or Print Clearly)

NON-REFUNDABLE PERMITS FEES:
 Dispensary Permit Application Fee - \$5,000
 Dispensary Permit Program Fee - \$12,600

NON-REFUNDABLE FINGERPRINTING:
 \$84.00 per person

| DISPENSARY INFORMATION AND DESCRIPTION | | | |
|---|--------------------------|---|-------------------|
| | | | Date |
| Dispensary Name | | | |
| Proposed Location Address | | | |
| Assessor Parcel Number | | | |
| Zoning Designation | | Sq. Footage | |
| Characteristics of Neighborhood or Surrounding Area (attach separate sheet if necessary): | | | |
| | | | |
| No. of Members (expected) | | | |
| Employee Information | No. of Employees | | No. of Volunteers |
| Attachments: - Please attach information - Clearly mark each response on the top of page | <input type="checkbox"/> | Description of the business or entity | |
| | <input type="checkbox"/> | Copy of dispensary formation and organizing documents | |
| | <input type="checkbox"/> | Attach names and addresses of partners, officers, directors, or stockholders | |
| | <input type="checkbox"/> | Plan to ensure medical marijuana is not purchased or sold to generate profit | |
| | <input type="checkbox"/> | Plan to ensure medical marijuana will be distributed to members only | |
| | <input type="checkbox"/> | Plan to monitor and restrict access to dispensary members | |
| | <input type="checkbox"/> | Plan to comply with Title 17 including but not limited to location requirements | |
| | <input type="checkbox"/> | Manager Information Sheet | |
| | <input type="checkbox"/> | City Business Operation Tax Certificate | |
| | <input type="checkbox"/> | State of California Sales Tax Seller Permit | |

| CONSENT OR ACKNOWLEDGEMENT BY PROPERTY OWNER OF USE FOR MEDICAL MARIJUANA | | | |
|---|--|-------|--|
| Property Owner Name | | | |
| Mailing Address | | | |
| City, State | | Zip | |
| E-Mail Address | | Phone | |
| Property Owner Signature | | Date | |

| APPLICANT INFORMATION (attach additional sheets as necessary) | | | |
|---|--|-------------------|--|
| Applicants must complete and submit Sacramento Police Department Forms 384 (Permit Application) and 950 (Descriptive Information) | | | |
| Applicant Name | | | |
| Applicant Mailing Address | | | |
| City, State | | Zip | |
| E-Mail Address | | | |
| Contact Telephone No. | | Alternate | |
| Date of Birth | | US Citizen | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Co-Applicant Name | | | |
| Co-Applicant Mailing Address | | | |
| City, State | | Zip | |
| E-Mail Address | | | |
| Contact Telephone No. | | Alternate | |
| Date of Birth | | US Citizen | <input type="checkbox"/> Yes <input type="checkbox"/> No |

I hereby certify under the penalty of perjury that the answers I have given are true and correct to the best of my knowledge and belief, and I understand and agree that any false or misleading answer will result in denial or revocation of any permit. Further, the City is hereby authorized to seek and verify information contained in this application. I understand verification of the accuracy of the application information is a matter of public record and may be made available to interested parties upon request.

| | | | |
|----------------------------|--|-------------|--|
| Applicant Signature | | Date | |
| Co-Applicant Name | | Date | |

Before issuing a permit, this application must be approved by the City Revenue Manager. Staff members from Finance, Code Enforcement, Police, Fire, and Neighborhood Services departments may be contacting the applicant(s) as part of this application process. Expenditures for remodeling, purchasing equipment, or entering into agreements or leases prior to approval is solely at the applicant(s) risk.



CITY OF SACRAMENTO
 DEPARTMENT OF FINANCE
 REVENUE DIVISION
 915 "I" Street
 Sacramento CA 95814
 916-808-

CALL
 我們講中文
 Hablamos español
 Мы говорим по русски
 ພວກເຮົາເວົ້າພາສາລາວ
 Peb hais lus Hmoob
 Chúng tôi nói tiếng Việt

MEDICAL MARIJUANA DISPENSARY APPLICATION - PHASE 1
 (Please Type or Print Clearly)

| MANAGEMENT INFORMATION (attach additional sheets as necessary) | | | | |
|---|--|--------------------|------------------------------|-----------------------------|
| All managers must complete and submit Sacramento Police Department Forms 384 (Permit Application) and 950 (Descriptive Information) | | | | |
| Name | | | | |
| Title | | | | |
| Function | | | | |
| Address | | | | |
| City, State | | Zip | | |
| E-Mail Address | | | | |
| Contact Telephone No. | | Alternate | | |
| Date of Birth | | ID Attached | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Name | | | | |
| Title | | | | |
| Function | | | | |
| Address | | | | |
| City, State | | Zip | | |
| E-Mail Address | | | | |
| Contact Telephone No. | | Alternate | | |
| Date of Birth | | ID Attached | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Name | | | | |
| Title | | | | |
| Function | | | | |
| Address | | | | |
| City, State | | Zip | | |
| E-Mail Address | | | | |
| Contact Telephone No. | | Alternate | | |
| Date of Birth | | ID Attached | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Name | | | | |
| Title | | | | |
| Function | | | | |
| Address | | | | |
| City, State | | Zip | | |
| E-Mail Address | | | | |
| Contact Telephone No. | | Alternate | | |
| Date of Birth | | ID Attached | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

SACRAMENTO
Finance Department

Medical Marijuana Dispensary Application – Phase 2
(Please Type or Print Clearly)

NON-REFUNDABLE FEES:
Dispensary Permit Program Fee - \$12,600

| DISPENSARY INFORMATION AND DESCRIPTION | |
|---|--|
| | Date |
| Dispensary Name | |
| Dispensary Phone # | |
| Applicant Name | |
| Location Address | |
| Assessor Parcel | |
| Attachments: - Please attach information - Clearly mark each response on the top of page | <input type="checkbox"/> Security Plan (Confidential) |
| | <input type="checkbox"/> Floor Plan |
| | <input type="checkbox"/> Site Plan |
| | <input type="checkbox"/> Accessibility Evaluation |
| | <input type="checkbox"/> Neighborhood Context Map |
| | <input type="checkbox"/> Lighting Plan |
| | <input type="checkbox"/> Valid Special Permit from Zoning Administrator or Planning Commission |
| | <input type="checkbox"/> Copy of insurance policies |
| | <input type="checkbox"/> Annual Operation Budget (Confidential) |
| | <input type="checkbox"/> Most recent financial statement and tax return (Confidential) |
| <input type="checkbox"/> Price list of all products and services | |

| APPLICANT INFORMATION (attach additional sheets as necessary) | | | |
|--|--|-------------------|---------------|
| Applicant Name | | | |
| Applicant Mailing | | | |
| City, State | | Zip | |
| E-Mail Address | | | |
| Contact Telephone No. | | Alternate | |
| Date of Birth | | US Citizen | D Yes D No |

I hereby certify under penalty of perjury that the answers I have given are true and correct to the best of my knowledge and belief, and I understand and agree that any false or misleading answer will result in denial or revocation of any permit. Further, the City is hereby authorized to seek and verify information contained in this application. I understand verification of the accuracy of the application information is a matter of public record and may be made available to interested parties upon request.

| | | | |
|----------------------------|--|-------------|--|
| Applicant Signature | | Date | |
|----------------------------|--|-------------|--|

Before issuing a permit, this application must be approved by the City Revenue Manager. Staff members from Finance, Code Enforcement, Police, Fire, and Neighborhood Services departments may be contacting the applicant(s) as part of this application process. Expenditures for remodeling, purchasing equipment, or entering into agreements or leases prior to approval is solely at the applicant(s) risk

Revenue Division
PH: 916-808-5724
Fax: 916-808-5248
915 I Street, Room 1201
Sacramento, CA 95814



City of Sacramento
DISPENSARY PERMIT

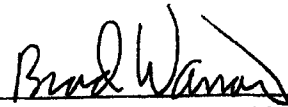
Organization Name: [REDACTED]

Permit Number: [REDACTED]

Address of Operation: [REDACTED]
SACRAMENTO, CA [REDACTED]

Issue Date: **April 9, 2015**
Expiration Date: **April 9, 2016**

Permit Holders:
[REDACTED]



Brad Wasson, Revenue Manager

Days of Week and Hours of Operation:
Monday – Sunday 10:00 am to 8:00 pm

Managers:

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]

Conditions:

1. This permit must be posted in a conspicuous place at the place of business.
2. In accordance with Sacramento City Code section 5.150.140, city officials may inspect the dispensary on any day of the week between the hours of 7 am and 9 pm, may demand copies of records maintained by the dispensary except for private medical records and no dispensary shall refuse or interfere with any inspection.
3. Pursuant to Sacramento City Code section 5.150.110 subsection C, violation of the conditional use permit's conditions may be grounds for suspending or revoking the dispensary permit.
4. The applicant shall comply with the security plan submitted; in addition, the applicant will have one armed and permitted security officer while open.
5. All barriers identified in the ADA evaluation must be remedied and shall comply with the California State Building Code. Dispensaries will stay in compliance with the Americans with Disabilities Act.
6. A building permit will be required for all proposed or completed work previously done without a permit and all work shall comply with the 2010 California Code of Regulations, Title 24.
7. The applicant shall adhere to all operating requirements in accordance with City of Sacramento Code section 5.150.130.
8. Pursuant to Sacramento City Code section 5.150.100 in addition to any other city imposed fees, the applicant shall be required to pay the applicable business operations tax pursuant to City of Sacramento Title 3 and subject to state law requirements regarding sales tax.
9. Pursuant to Sacramento City code section 5.150.130, the dispensary will maintain an accounting and inventory record of all cash and in-kind contributions, reimbursement and compensation provided to and by all members including weight and amounts of medical marijuana received, stored and distributed to members.

I AGREE TO THE CONDITIONS LISTED ABOVE [REDACTED]

Michael Corlett
Home Zip Code 93901
Business Zip Code 93907

CITY OF SALINAS

JAN 12 2015

CITY CLERKS OFFICE

January 12, 2015

Salinas City Council

Re: Proposed Marijuana Ordinance

Dear Mayor Gunter and Council Members:

I am writing today to voice my strong opposition to the proposed marijuana ordinance for the City of Salinas. Our city does not need dispensaries, manufacturers in addition to one we already have, and cultivation facilities. Since the passage of Proposition 215 in 1996, users of medical marijuana have not had trouble obtaining it. In 1997, I personally heard then-mayor Alan Styles simply tell an applicant "people will still be able to get their marijuana." And they have.

With the exception of one individual, all of those who spoke at last week's Planning Commission meeting in support of the ordinance had a direct financial interest in the ordinance passing. The recent push by various parties lobbying public officials is not about compassion, helping the sick, etc. Plain and simple it is about money. Money that they hope to make.

And there is lots of money to be made. Despite its nearly legal status, the price of marijuana is 25 times higher than when I was in high school here in Salinas. Inflation accounts for a small portion of that.

The ordinance will absolutely put a strain on the limited resources of our police department. Although high taxes potentially being passed by the voters may offset some of the financial costs, there is no amount of money that will pay for the potential social cost that will adversely affect our community.

Increased availability will mean more use, more illicit use, and more problems to our city.

Our gang problem will increase, not decrease, as a result of this ordinance. I cannot think of any city in our country worse than Salinas to increase marijuana availability.

I ask that Salinas not "position" itself for marijuana legalization. Contrary to what has been stated by some public officials, marijuana legalization is NOT inevitable. The Council Members have a fiduciary responsibility to act in the interest of the many, not in the interest of the money.

Please, discuss this matter with our local law enforcement officials, our faith community, and our school officials. Act in the best interest of our entire community. Do not pass this ordinance.

Sincerely,

Michael Corlett

Michael Corlett

CITY OF SALINAS
JAN 12 2016
CITY CLERKS OFFICE

January 12, 2015

Chris Callihan, City Attorney
City of Salinas

Re: Proposed Marijuana Ordinance

Dear Mr. Callihan:

I am writing in response to the proposed ordinance to establish regulations on commercial cannabis businesses in Salinas.

First, the ordinance is well-written, and has many detailed and specific requirements that regulate a business that has a bad public reputation. I believe it exceeds the standards mandated by the State of California.

My concern is regarding Federal Law. There is a gross misunderstanding that the Federal Government has a "hands off" policy concerning states where marijuana is legal for medical purposes.

I am certain you are familiar with the August 29, 2013 Memorandum issued by the U.S. Department of Justice known as "The Cole Memo." It provided guidance for federal prosecutors in light of state laws being more lenient than federal laws because of state ballot initiatives concerning marijuana.

The Cole Memo identifies eight different "enforcement priorities that are particularly important to the federal government."

I do not see much language in the proposed ordinance that addresses the enforcement priorities listed by the U.S. Department of Justice's so-called Cole Memo.

More importantly, with the City of Salinas hitting a record 40 homicides during 2015, the vast majority of which are "gang-related," and with the common knowledge that Salinas gangs regularly traffic in illegal drugs, including marijuana, the City of Salinas is a perfect candidate for targeted action by federal authorities.

Inviting and encouraging businesses to increase marijuana availability in Salinas, which the proposed ordinance will do, is the wrong message to the U.S. Justice Department. With the international reputation for problems that our city has earned, the increasing availability of a Schedule I substance could draw the worst kind of attention imaginable.

I hope that the City pursues further discussion with our Chief of Police on this matter.

Sincerely,

Michael Corlett



CITY OF SALINAS

January 12, 2016

JAN 12 2016

VIA U.S. MAIL

CITY CLERKS OFFICE

Jeffery R. Gilles, *Partner*
 Aaron Johnson, *Partner*
 Jason Retterer, *Partner*
 Robert E. Rosenthal, *Partner*
 Paul A. Rovella, *Partner*
 Bradley W. Sullivan, *Partner*
 Patrick S. M. Casey
 E. Soren Diaz
 Laura L. Franklin
 Jeffrey S. Lind
 Sergio H. Parra
 Ronald A. Parravano
 Stephen L. Pessagno
 Matthew R. Rankin
 James W. Sullivan
 Gavin E. Kogan, *Of Counsel*

Mayor Joe Gunter
 and Members of the City Council
 City of Salinas
 200 Lincoln Avenue
 Salinas, CA 93901

RE: **Medical Cannabis – City of Salinas (Item #15-499)**

Dear Mayor Gunter and Members of the City Council:

I am writing on behalf of the Coastal Growers Association, a trade association of local medical cannabis operators, and our clients at L+G, LLP. This letter concerns the “Ordinance related to the establishment and the regulation of commercial cannabis businesses” on the agenda for January 12, 2016.

We thank the City of Salinas for taking the time to draft the language proposed. Specifically, we thank the City staff who took time and care in considering the unique needs of the medical cannabis community.

Respectfully, we encourage the City Council to consider these points:

1. Allow for at least three (3) operations of each type.

We respect the approach of the City to take a pilot program approach to examine what is the best fit for the City. We believe this pilot program would be best served by allowing for at least three (3) operations of each type.

2. No geographic site-to-site restrictions for cultivation and manufacturing.

In Section 16B-30.70(a)(6) of the draft ordinance, the language requires that if a dispensary is operating in a location, no other facility may operate within one thousand (1,000) feet of that dispensary. To have this requirement apply to dispensaries only makes the most

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- **HOLLISTER** 530 San Benito Street, Suite 202 / Hollister, CA 95023 / TEL 831.630.9444 / FAX 831.630.5935
- **MONTEREY** 270 El Dorado Street / Monterey, CA 93940 / TEL 831.717.4995 / FAX 831.717.4996
- **PASO ROBLES** 745 Pine Street / Paso Robles, CA 93446 / TEL 805.226.0626
- **KING CITY** 218 Bassett Street / King City, CA 93930 / TEL 831.385.0900

TOLL FREE 888.757.2444 / www.LG-Attorneys.com

Mayor Joe Gunter
and Members of the City Council
January 12, 2016
Page 2

logical sense. Dispensaries have a unique role as they allow for some limited and controlled access from patients. Cultivation sites and manufacturing sites however do not have this same feature. No patient or member of the public will access cultivation sites or manufacturing sites. As such, the placement of cultivation sites and manufacturing sites should not be limited based upon the placement of dispensaries. Such a burden may restrict cultivation and manufacturing in areas that have similar uses. For example, a manufacturing site would not be able to operate in an industrial area if there is a dispensary within one thousand (1,000) feet of that area. For these reasons, we propose the language be modified to only restrict dispensaries from operating within one thousand (1,000) feet of other dispensaries.

3. Hours of operation.

We would encourage the City to look at a reasonable approach to hours and days of operation, specifically for dispensaries being open for patients. We would encourage the City to allow dispensaries to stay open for patients until 8:00 P.M. Monday through Saturday. We also encourage the City to allow some limited hours for patients to access their dispensary on Sunday.

Respectfully submitted,
L+G, LLP Attorneys at Law



Aaron P. Johnson

APJ/JL



January 26, 2016

VIA ELECTRONIC MAIL

City of Salinas
Attn: City Council; Ms. Patricia M. Barajas
200 Lincoln Avenue
Salinas, CA 93901

Dear Mr. Mayor And City Councilmembers:

I am writing today to support Item ID#15-518 on today's City Council Agenda and staff's recommendations regarding – an Ordinance related to the establishment and the regulation of commercial cannabis businesses in the City of Salinas.

On January 6, 2016, I submitted a letter with support materials to the Salinas Planning Commission. I also addressed, in person, the Commissioners at their last meeting.

Since 2008, my firm – California Capitol Solutions, LLC – has worked with dozens of municipalities throughout the state to create effective regulations of medical cannabis businesses. In 2010, my team passed the state's most effective Medical Cannabis Ordinance in the City of Sacramento, wherein we successfully tax and regulate licensed medical cannabis businesses, including dispensaries.

The City of Salinas faces a tremendous opportunity: *to embrace a new and exciting medical cannabis industry and provide the opportunity to create jobs, advance public safety, and support economic development in your community.*

I look forward to working with you and the City of Salinas to create an effective ordinance to establish the regulation of commercial medical cannabis businesses. I cannot attend tonight's meeting due to a prior commitment. Thank you.

Signed,

M. Max Del Real
President / CEO

Cc: Mr. Ray E. Corpuz, Jr., City Manager;
Mr. Christopher A. Callihan, City Attorney

Proposed City Ordinance on Cannabis Regulations

corlett@brandon-tibbs.com

Tue 1/26/2016 1:43 PM

To: Patricia M. Barajas <patricib@ci.salinas.ca.us>;

Honorable Mayor of Salinas
City Council Members
City of Salinas

Honorable Mayor and Members of the City Council:

I live in Steve McShane's district and have lived in Salinas my entire life, as did my mother and her mothers. My office is across the street from the Cannabis Manufacturing facility that has been operating since this past Summer.

Based on a very careful reading of the proposed ordinance to legalize the growing, manufacturing, delivery, and retail distribution of marijuana/cannabis plants and products in the City of Salinas, I strongly oppose the ordinance for the following reasons:

1. It was made very clear at the last City council meeting that the overriding reason for the indicated direction of some members of the Council is simply financial. First, seeing as there was zero in-depth analysis of the financial factors, that is not a logical reason. Second, in the slim chance that the economic and social losses that will result are exceeded by possible future revenue, financial gain at the expense of social loss is not a role to be assumed by a responsible government body.
2. Large scale growing operations will be a target for violent crime. The amount of money involved is huge, and will attract the many violent criminals currently running the streets of Salinas.
3. Manufacturing facilities are the least damaging of the proposed ordinance's changes. However, since the current edible operation began across the street from my office, there have been unusual characters hanging out in our parking lot, in front of our building, and even turning in lost medical marijuana cards to our front desk in search of "a reward". In the 13 years we have been in the building, this is new to us.
4. Delivery services are already rampant in our city. These are not simple "delivery" services. They are sales operations. This is addressed nowhere in the ordinance, nor does it define what a delivery service is.

5. The retail sales of marijuana, legal or not, depending on which governmental agency you speak with, will in fact increase the availability and consumption of cannabis by the Salinas community. The amount of dope sold by street gangs will increase the influence of street gangs in Salinas. This is addressed nowhere in the ordinance.

The people speaking at the most recent Planning Commission and City Council meetings were primarily attorneys representing cannabis commercial interests, members of an cannabis-only growing association, employees of operations technically operating illegally, potential cannabis investors, potential operators, and in the case of Max Del Real, a professional cannabis lobbyist. Zero Medical Doctors operating in Salinas have spoken in favor of the ordinance. These are not members of our community you were elected to represent.

The focus of many public officials appears to be "Gross Receipts" that marijuana may bring to our city. The reality is that the economic costs that will be incurred, the expansion of the Police Department, when combined with the future Federal intervention (Salinas will be the perfect test case for the Department of Justice), nothing but economic losses will be incurred. I don't need to tell you that we cannot afford to lose more money, kids, and wasted lives.

Michael Corlett

Salinas, 93901

On 2016-01-25 13:45, Patricia M. Barajas wrote:

> Mr. Corlett,
>
> I received you voice mail and will keep an eye out for your letter.
>
> Patricia M. Barajas
>
> City Clerk
>
> City of Salinas
>
> 200 Lincoln Avenue
>
> Salinas, California 93901
>
> patricib@ci.salinas.ca.us
>
> P: (831) 758-7383

Proof of Publication

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FEB 16 2016

CITY CLERK

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County of Monterey**

P. Barajas

Advertiser: SALINAS, CITY CLERK
200 LINCOLN AVE
SALINAS , CA 93901

Our Order # 0001036822
Net Order Cost \$ 123.39

RE: PUBLIC NOTICE Chapter 16B of the Salinas
Cannabis Ord

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I hereby certify that the attached advertisement appeared in said newspaper on the following dates:

Newspaper: SNA-The Salinas Californian
2/10/2016

I acknowledge that I am a principal clerk of the printer of said paper, which is published in the City of Salinas, County of Monterey, State of California. The Salinas Californian is printed and published daily, except Sunday and has been adjudged a newspaper of general circulation by the Superior Court of the County of Monterey, State of California. El Sol is printed and published weekly on Saturday and has been adjudged a newspaper of general circulation by the Superior Court of Monterey, State of California.

I certify (or declare) under penalty of perjury that the foregoing is true and correct.
Executed on this 10 day of Feb., 2016 at Salinas, California.

C. Crank

Declarant

PUBLIC NOTICE
Chapter 16B of the Salinas Municipal Code titled "Medical Marijuana Dispensaries" is hereby repealed in its entirety and replaced with an ordinance allowing the establishment, operation and regulations of commercial cannabis businesses for the dispensing, distribution, cultivation, and manufacturing of medical marijuana and medical marijuana products. Ordinance 2566 was passed and adopted by the Salinas City Council on January 26, 2016 and shall take effect thirty days after the date of adoption. For additional details concerning the amendment or to view the ordinance in its entirety, contact the City Clerk's Office at 200 Lincoln Avenue, Salinas, CA 93901, (831) 758-7381. Hearing impaired or TTY/TDD text telephone users may contact the City by dialing 711 for the California Relay Service (CRS) or by telephoning any other service providers' CRS telephone number.
Feb. 10, 2016 (1036822)