

Planning Commission Study Session Proposition 64: Adult Use of Cannabis

August 16, 2017

Study Sessions/Public Meetings

- City Council Study Session on August 1, 2017
- Sit-n-Sip Presentation by Planning Director on August 2, 2017
- Open Forum at West Side Rec Auditorium on August 8, 2017

Proposition 64

- Voter approved initiative allowing:
 - Personal grow, possession, and use of non-medical cannabis (to certain limits)
 - Commercial cultivation, manufacturing, testing, distribution, and retail sales of non-medical cannabis
 - Local jurisdictions have authority to allow all, allow some, or ban all personal and commercial medical and non-medical cannabis activity
 - Some cannabis activity is still a crime (i.e. exceeding certain personal and commercial cannabis activity)
 - Must be 21 and older in all instances

Prop 64: Personal Use

- Only allowed for persons 21 years of age or older
- Allowed to possess, plant, cultivate, harvest, dry, or process a maximum of six (6) mature marijuana plants per RESIDENCE
- May be grown indoors or outdoors
- May possess, process, transport, purchase, obtain or give away a maximum of 28.5 grams of non-concentrated cannabis
- May do the things above with a maximum of 8 grams of concentrated cannabis
- May smoke or ingest marijuana and products
- Cities are allowed to prohibit personal growing of cannabis outdoors upon the grounds of a residence

Prop 64: Personal Use Prohibitions

- Cannot smoke or ingest marijuana or products in any public place
- Cannot smoke marijuana or products where smoking tobacco is prohibited
- Cannot smoke marijuana or products within 1,000 feet of a school, day care center, or youth center
- Cannot possess an open container or package of marijuana or products while driving, operating, or riding in the passenger seat of a motor vehicle, boat, vessel, aircraft, or other vehicles

Prop 64: Personal Use Prohibitions

- Cannot possess smoke or ingest marijuana or products on the grounds of a school, day care center, or youth center
- Personal use cannot involve the manufacture of concentrated cannabis using a volatile solvent
- Cannot smoke or ingest marijuana products while driving, operating a boat, vessel, aircraft, or other vehicle
- Cannot smoke or ingest marijuana or products while riding in passenger seat of a motor vehicle, boat, vessel, aircraft or other vehicle

Prop 64: Personal Use Violations

- Under 18 years of age – 4 hours of a drug education program or counseling AND 10-20 hours of community service
- Drug education program or counseling is mandatory, but must be provided at no cost
- Over 21 years of age - \$100 to \$250 fine

City of Taft at-home Cultivation Regulations?

- Possible application and fee required
- Police Department review and inspection
- Limited to a maximum of six plants per RESIDENCE
- Only allowed inside home, garage, or accessory structure that blocks from public view
- Only persons 21+ years old can cultivate cannabis
- May require that area of cultivation is only in rear portion of property
- Areas of growing and harvesting is not accessible by those under 21 years old
- Cannot use generators or similar equipment to cultivate

City of Taft at-home Cultivation Regulations?

- Prohibited to use volatile solvents for extraction and concentration
- Cannabis cultivation cannot be visible from any public right-of-way or public place
- Residence cannot be modified or reconstructed that removes kitchen, bathrooms, bedroom, etc to accommodate cultivation
- Cultivation cannot result in a public nuisance due to odor, light, glare, heat, noise, etc.
- Home will need a portable fire extinguisher that compliant with state and local fire requirements
- Cultivation area cannot occupy the required parking spaces for the residence
- Electrical needs to be plugged directly into outlets or hardwired
- File for building permits as required

Prop 64: Commercial Marijuana Activity

- The State Bureau of Marijuana Control within the Department of Consumer Affairs administers commercial marijuana activity
- Department of Consumer Affairs issues licenses for transportation, storage, distribution, and sale of marijuana within the State
- Department of Food and Agriculture issues licenses for cultivation of marijuana
- State Department of Public Health issues licensing for manufacturing and testing licenses
- Prospective commercial marijuana business owners must receive local approval prior to receiving a state license
- State will make applications available for a state licensing beginning on January 1, 2018

Prop 64: Commercial License Types

- Department of Food and Agriculture
 - Type 1, 1A and 1B: Specialty Outdoor/Indoor/Mixed-Light, less than 5,000 sf
 - Type 1C: Specialty Cottage*
 - Type 2, 2A and 2B: Outdoor/Indoor/Mixed-light, 5,001 to 10,000 sf
 - Type 3, 3A and 3B: Outdoor/Indoor/Mixed-light, 10,001 sf to 1 acre/10,001 to 22,000 sf
 - Type 4: Nursery, no max sf listed
 - (2023) Type 5, 5A and 5B: Large Outdoor/Large Indoor/ Large Mixed-light, more than 1 acre (43,560 sf)/max 22,000 sf

Prop 64: Commercial License Types

- State Department of Public Health
 - Type 6: Manufacturer 1, using non-volatile solvents
 - Type 7: Manufacturer 2, using volatile solvents
 - Type 8: Testing

Prop 64: Commercial License Types

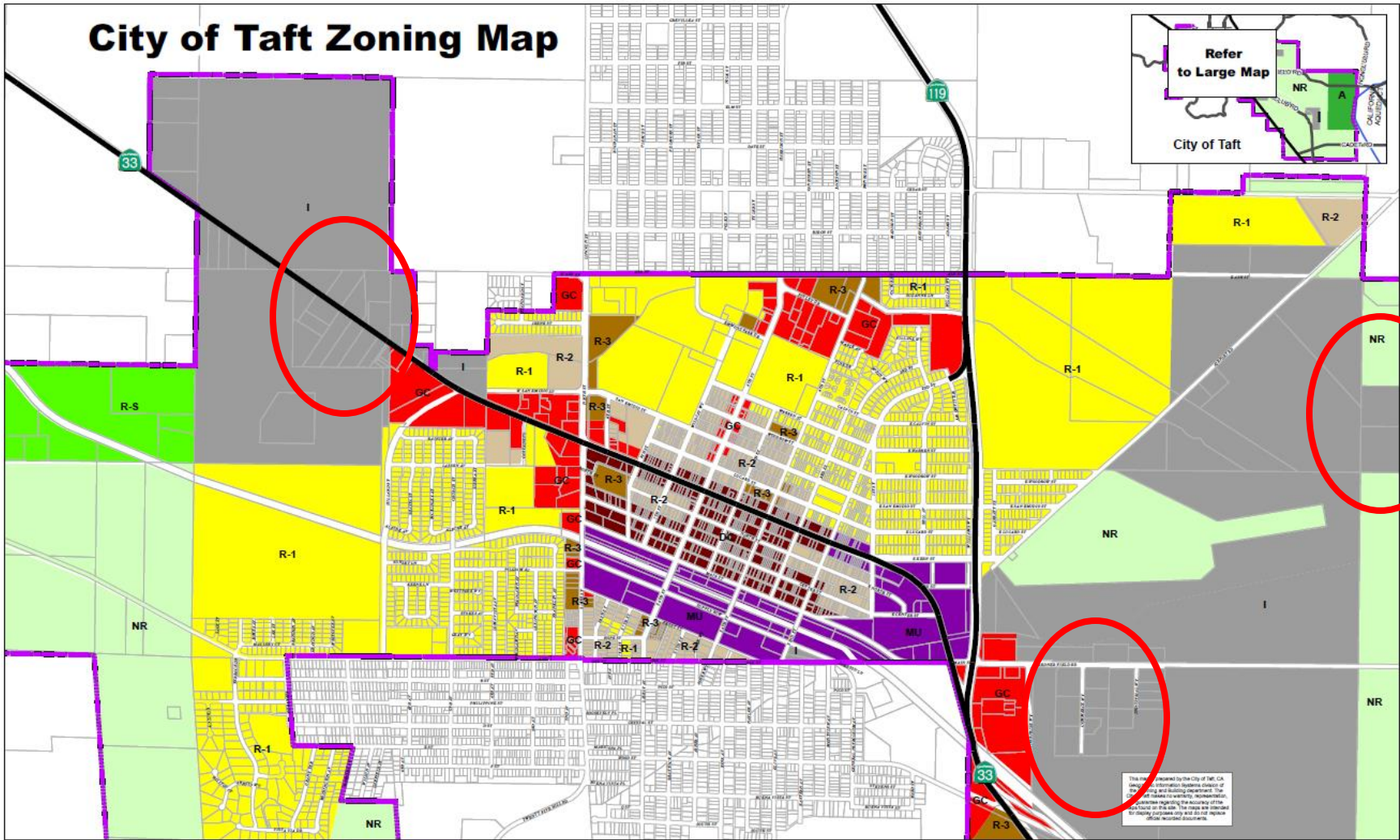
- Department of Consumer Affairs
 - Type 10: Retailer, Dispensary
 - Type 11: Distributor
 - Type 12: Microbusiness (Combo cultivator, manufacturer, and retail sales)

Allowed Zoning Districts?

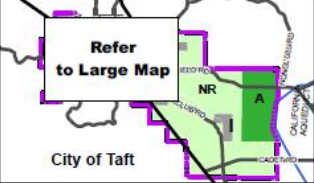
Cannabis Permit Type	GC	DC	MU	I
Cannabis Cultivation, Outdoor (Type 1, 2, 3, and 4)	X	X	X	X
Cannabis Cultivation, Indoor (Type 1A/B, 2A/B, 3A/B, and 4A/B)	X	X	X	C
Cannabis Manufacturer 1 (Type 6)	X	X	X	C
Cannabis Manufacturer 2 (Type 7)	X	X	X	C
Cannabis Testing (Type 8)	X	X	X	C
Cannabis, Retail Sales/Dispensary (Type 10)	€	€	€	€
Cannabis, Distribution (Type 11)	€	X	X	C
Cannabis, Microbusiness (Type 12)	€	X	X	€

*City may also regulate the number of businesses that are permitted within the City limited by total square footage or total number of businesses, including distance separations from each other and schools, parks, daycare and youth centers

Taft Zoning Map



City of Taft Zoning Map



Legend

- | | | | | |
|---------------------|--------------------------------------|-------------------------------|----------------------|--------------|
| City Limits | GC General Commercial | R-1 Single-Family Residential | A Agricutural | I Industrial |
| Sphere of Influence | DC Downtown Commercial | R-2 Two-Family Dwelling | NR Natural Resources | MU Mixed Use |
| | R-3 Limited Multiple-Family Dwelling | R-S Residential Suburban | Sandy Creek | |



This map is prepared by the City of Taft, CA. Being a descriptive reference map, it is not intended to warranty, indemnify, or assume any liability for damages or losses. The City of Taft is not responsible for the accuracy of the information on this map. The maps are intended for study purposes only and do not replace official recorded documents.

Holding Multiple License Types

- Types 1 and 2 growers may hold Type 6 or 7 manufacturer licenses OR a Type 10 retail license
- Large growers Type 3, 4, and 5 cannot hold manufacturers licenses
- A Type 10 retailer licensee may be a manufacturer and cultivator
- Testing licensees (Type 8) cannot hold any other license
- Distributor licensees (Type 11) must also have a Type 12 transportation license, but NO other license
- A Type 12 may also have a Type 11, but not required.

City Reviews and Permitting

- All license types will require a Conditional Use Permit (CUP) application to the Planning Department
- City holds full discretion in reviewing and permitting or denying a CUP application
- Applicants may pay more than typical CUP fee to cover full costs of City staff time
- City business license fees may be much more than other business license types
- City may impose an excise tax on gross sales or amount of product similar to State, which requires voter approval

City Reviews and Permitting

- Prop 64 only required 600-foot separation from schools, parks, and day care centers
- Most cities/counties are applying a 1,000-foot or more separation
- Typically limited to Agricultural and Industrial/Manufacturing zone districts for indoor and outdoor cultivation, manufacture, and distribution
- Certain Commercial and Industrial Zones for retail sales

Application Requirements

- Applicant's headquarters address
- Size of property/cultivation area
- Site location
- Site Plans and Floor Plans showing use areas, parking, ingress/egress, storage, lighting, signs
- Proposed Security Plan
- Proposed Operational Plan – Hours?
- Names, addresses, criminal history of those with ownership interest in business

Application Requirements

- Experience of the operators of the proposed cannabis business
- Adequacy of capitalization for the applicant and its operations
- Employment of City residents and other public benefits
- Signed and notarized acknowledgement from property owner that cannabis activity will occur on the property
- Authorization for the City to verify information that is provided in the application

Security Requirements

- Security Cameras – 24/7/365
- Maintain 120 hours of recorded content
- Remote Login made available to the City – Chief of Police
- Immediate fix of camera disruption
- Keypad, keycard, smartlock, or other system that records time and identity
- Alarm system by third party company
- Entrance to be locked at all times and under control of cannabis business staff
- Entrances and windows illuminated during evening hours
- Windows secured and cannabis securely stored
- Security footage made available to City upon request without warrant

Other Requirements - Conditions

- No use or consumption of cannabis at business location
- Cannabis and products to be kept in a secure manner when operating and when closed
- Provide odor absorbing ventilation and exhaust system
- Product and inventory tracking software – “Track and Trace”
- No alcohol sales or consumption at cannabis business location
- City Manager or Police Chief may enter business for a reasonable inspection
- False statements or information on applications may result in immediate denial
- Applicant and/or other interests in the business been convicted of felonies, engaged in unlawful/fraudulent business practices, not in good standing with the City in prior businesses.

Other Requirements - Conditions

- Development Agreement to pay a fee equivalent of excise tax
- Must carry liability insurance
- Execute an Indemnification Agreement
- Defend the City against any action
- Reimburse City for costs incurred
- Permit Transfer – Requires new application with the City
- Expiration of permits

Kern County Status

- Outdoor Cultivation (Type 1, 2, 3, and 4)
 - Countywide Maximum 150 acres
 - Must be **1 mile** from schools, parks, day care and youth centers
- Indoor Cultivation (Type 1A-B-C, 2A-B, 3A-B, and 4)
 - Countywide Maximum 2,000,000 s.f.
 - Must be 1 mile from schools, parks, day care and youth centers
- Processing and Packaging (Type 6, 7, and 8)
 - Countywide Maximum 500,000 s.f.
 - Must be 1 mile from schools, parks, day care and youth centers
- Retail Stores and Mobile Delivery (Type 10, 11, and 12)
 - Countywide Maximum of 40 retail stores
 - No more than 2 allowed in each County community
 - Must be more than **½ Mile (2,640 feet)** from any school, parks, day care and youth centers
- Public Meeting on **Tuesday, August 22, 2017 at 2:00pm**

Senate Bill 94

- Signed by the Governor in June 2017
- Further amendments to the State law created by Prop 64
- City needs to update draft ordinances per the new amendments

How much tax would be collected?

- Any \$1,000,000 retail business
- 7.25% Sales Tax = \$72,500
- State of CA receives 6% = \$60,000
- City of Taft receives 1% = \$10,000
- County of Kern receives 0.25% = \$2,500

- State collects 15% on revenues = \$150,000

City's Tentative Meeting Schedule

- Planning Commission draft review – September 6, 2017
- Planning Commission final review – October 4, 2017
- City Council first reading – November 7, 2017
- City Council second reading – November 21, 2017
- 30-day effective period – December 21, 2017