

# **CORRESPONDENCE**

## **COMMERCIAL CANNABIS BUSINESSES (Medical and Adult Use)**

## Hartman, Clare

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**From:** Hartman, Clare  
**Sent:** Thursday, October 05, 2017 9:28 AM  
**To:** 'Julie Mercer-Ingram'  
**Cc:** 'Benny Loya'; 'Jolene Strange'; 'Brian Elliott'; Guhin, David; Moon, Scott; Setterland, Mark; De La Rosa, Raissa; Gustavson, Andy; Trippel, Andrew; Gallagher, Sue; 'Dustin Gibbens'; 'Cassia Furman'; 'Joe Rogoway'  
**Subject:** City of Santa Rosa - Ethanol in Medical Cannabis Manufacturing  
**Importance:** High

Julie, et. al.

After internal discussions among City staff and our cannabis legal team, and in consultation with representatives of the California Department of Public Health (CDPH), the City has decided to move in the direction identified by the CDPH in its Response to Comments publication released on September 28, 2017. As you know the release states:

*"License Type: Ethanol – Based upon comments received, CDPH will further clarify the use of ethanol in manufacturing. Ethanol extraction, if used in a manner that creates a risk of explosion or fire, such as high heat or pressure, would be classified as a Type 7 license. Other uses of ethanol, such as tinctures or “winterization” to refine extracts, would be considered Type 6."*

The City recognizes this as published intent by the CDPH, with final emergency regulations forthcoming, but not expected to be published until mid-November. Once published, the regulations will be effective immediately.

In summary, the City's determination on the use of ethanol in cannabis manufacturing is as follows:

- The City will authorize post-extraction ethanol “winterization” under a Medical Cannabis Manufacturing Level 1 local permit so long as it remains in compliance with state license Type 6.
- The City will authorize ethanol extraction under a Medical Cannabis Manufacturing Level 2 local permit (offered through the draft comprehensive ordinance) until and unless the state clarifies where this solvent will be placed more specifically (either Level 1 or Level 2). In the meantime, the City recognizes SB 94 as the most recent legislation on the issue, which places ethanol extraction into Level 2.
- City actions, such as the issuance of a zoning clearance, use permit and/or building permit must be amended to be consistent with the above determination to be deemed valid, as it is the City's determination that the state currently preempts the City on this issue.

The City's draft comprehensive ordinance has been amended to reflect the above determinations and will be published by the end of today as part of the Planning Commission packet for 10/12. Here are the proposed revised definitions for Level 1 and Level 2:

**“Medical Cannabis Manufacturing - Level 1”** means the processing or manufacturing of medical cannabis products using nonvolatile solvents, or no solvents. A Medical Cannabis Manufacturing Level 1 Operator shall only process or manufacture cannabis products for sale by a permitted Medical Cannabis Retail facility. The use of post-extraction ethanol “winterization” is allowed within Medical Cannabis Manufacturing Level 1 only to the extent such use is permitted by the state in a Type 6 license.

**“Medical Cannabis Manufacturing - Level 2”** means the processing or manufacturing of medical cannabis products using volatile solvents. A Medical Cannabis Manufacturing Level 2 Operator shall only manufacture cannabis products for sale by a permitted Medical Cannabis Retail facility. For purposes of this section, “volatile solvents” shall include solvents described in paragraph (3) of subdivision (d) of Section 11362.3 of the Health and Safety Code, or as such section may be amended.

**Clare Hartman, AICP | Deputy Director - Planning**

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## Hartman, Clare

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**From:** Julie Mercer-Ingram <julie@kindlaw.net>  
**Sent:** Saturday, September 30, 2017 7:53 AM  
**To:** Hartman, Clare; Guhin, David; Trippel, Andrew; Benny Loya; Dustin Gibbens; Brian Elliott; Jolene Strange; Setterland, Mark; Gallagher, Sue; Moon, Scott  
**Subject:** State Issues Guidance on Manufacturing and Ethanol  
**Attachments:** Cannabis Comments (Final on CDPH Letterhead).pdf

Hello Clare,

I'm not sure if I received this notice from the state regarding the withdrawal of the prior proposed medical regulations. As part of that withdrawal, the DPH has provided some responses to public comments, including ethanol. That document is attached. Relating to ethanol, the state provides the following clarification.

"License Type: Ethanol Based upon comments received, CDPH will further clarify the use of ethanol in manufacturing. Ethanol extraction, if used in a manner that creates a risk of explosion or fire, such as high heat or pressure, would be classified as a Type 7 license. Other uses of ethanol, such as tinctures or "winterization" to refine extracts, would be considered Type 6."

With this now public information in writing from the state, we'd like to have a meeting about Piner Place as soon as possible. The building permits are ready to go. The contractor is lined up and all the construction materials are ready. Please contact me as soon as possible to discuss this situation.

Thank you,

Julie

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Mobile: (707) 800-9154

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**From:** [bmmr@dca.ca.gov](mailto:bmmr@dca.ca.gov) <[bmmr@dca.ca.gov](mailto:bmmr@dca.ca.gov)>  
**Date:** Fri, Sep 29, 2017 at 4:43 PM  
**Subject:** LICENSING AUTHORITIES ANNOUNCE WITHDRAWAL OF PROPOSED MEDICAL CANNABIS REGULATIONS  
**To:** [BCC-GENERAL@dcalists.ca.gov](mailto:BCC-GENERAL@dcalists.ca.gov)

SACRAMENTO – California's three cannabis licensing authorities announced today the official withdrawal of the medical cannabis regulations that were proposed in late spring by the Department of Consumer Affairs' Bureau of Cannabis Control, Department of Public Health's Manufactured Cannabis Safety Branch and Department of Food and Agriculture's



CalCannabis Cultivation Licensing. The official withdrawal will occur October 6. The proposed regulations were geared toward the implementation of the Medical Cannabis Regulation and Safety Act. These licensing authorities held hearings and accepted public comments regarding the proposed regulations during a 45-day public comment period.

However, in late June, the Legislature passed and the Governor signed into law, the Medicinal and Adult-Use Cannabis Regulation and Safety Act, which creates one regulatory system for both medicinal and adult-use cannabis. Because of that action, the licensing authorities will withdraw the proposed medical regulations and will instead move forward with one regulatory package for both medicinal and adult-use cannabis.

The three cannabis licensing authorities will develop emergency regulations based on the new law and will incorporate the robust and valuable public comment received on the proposed medical cannabis regulations. The summary of public comments, as well as the responses to those comments, received by each agency – either in writing or in person at one of the public comment forums hosted by the three agencies – can be viewed by clicking the links below:

Bureau of Cannabis Control:

[http://bcc.ca.gov/law\\_regs/mcrsa\\_comments.pdf](http://bcc.ca.gov/law_regs/mcrsa_comments.pdf)

[http://bcc.ca.gov/law\\_regs/mcrsa\\_lab\\_comments.pdf](http://bcc.ca.gov/law_regs/mcrsa_lab_comments.pdf)

CA Department of Food and Ag:

<http://cannabis.ca.gov/wp-content/uploads/sites/13/2017/09/Medical-Cannabis-Cultivation-Regulations-Draft-Comment-Summary.pdf>

CA Department of Public Health:

[https://www.cdph.ca.gov/Programs/CEH/DFDCS/CDPH%20Document%20Library/Cannabis%20Comments%20\(Final%20on%20CDPH%20Letterhead\).pdf](https://www.cdph.ca.gov/Programs/CEH/DFDCS/CDPH%20Document%20Library/Cannabis%20Comments%20(Final%20on%20CDPH%20Letterhead).pdf)

The licensing authorities will use the emergency rulemaking process for the new regulations. The emergency regulations are expected to be published in November. The implementation date for the issuance of commercial cannabis licenses remains the same: January 1, 2018.

For additional information about the three licensing authorities, or to learn about updates as they become available, please visit the state's Cannabis Web Portal – [www.cannabis.ca.gov](http://www.cannabis.ca.gov).

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KAREN L. SMITH, MD, MPH  
Director and State Public Health Officer

State of California—Health and Human Services Agency  
California Department of Public Health



EDMUND G. BROWN JR.  
Governor

**CDPH Proposed Medical Cannabis Manufacturing Regulations**

**Comment Summary and Response (9/28/17)**

The California Department of Public Health would like to extend its sincere thanks to everyone who submitted comments on the proposed regulations. The comments received will be extremely valuable to CDPH as the next round of regulations is developed.

The recently approved budget trailer bill, SB 94, merged the Medical Cannabis Regulation and Safety Act (MCRSA) and the Adult Use of Marijuana Act (AUMA) to create the Medicinal and Adult Use of Cannabis Regulation and Safety Act (MAUCRSA). The new law incorporates elements of both MCRSA and AUMA. Accordingly, CDPH will need to revise its proposed regulations to conform with statutory changes.

The following document provides an overview of the most common comments received by CDPH on the proposed medical cannabis regulations. Please be assured that even if not included in the summary below, all comments have been reviewed and will be considered for the final regulation text, if appropriate.

**Maximum THC Content**

A substantial number of comments expressed significant concern and disagreement with CDPH's proposal to limit the amount of THC in a medicinal edible product to 10 mg per serving and 100 mg per package. Most expressed that, while 10 mg may be the right policy for the adult use market, which is more likely to have novice cannabis users, it is insufficient for the needs of the medicinal use. Similarly, commenters also had concerns about the cap of 1,000 mg THC per package of other cannabis products.

Several alternatives were suggested to CDPH:

- Increase the caps, both per serving and per package (suggestions ranged from a cap of 25 to 200 mg per serving and from 500 mg to 2,000 mg per package).
- Eliminate THC caps for all medicinal products.
- Eliminate THC caps for certain medicinal products – such as capsules, tinctures, or topicals (items that are not edibles)



- Allow an exemption to the total THC per package, if the package used is a blister package (each individual serving must be removed from the package separately, similar to the way over-the-counter pharmaceuticals such as cold medicine are sold).

SB 94 imposed a restriction that all edible cannabis products be sold with a serving size of no more than 10 mg THC. CDPH has no authority to allow greater THC concentrations per serving in edible products, either for the medicinal or adult use market (SB 94 did not speak to limits on total THC per package).

CDPH will continue to review the comments and remains committed to protecting public health by minimizing accidental consumption and over-exposure.

### **Prohibited Products**

CDPH received a range of comments regarding the prohibition on certain products (§40300).

#### **1. Alcoholic beverages:**

- Clarification was requested as to whether the prohibition would extend to a prohibition on tinctures. This prohibition is not intended to restrict the production of tinctures. CDPH will make clarifying changes to the text for the MAUCRSA regulations.
- Clarification was requested as to whether the prohibition was applicable to just infusion with THC or included CBD as well. CDPH will continue to review the issue.
- Requests were made to allow THC-infused alcoholic beverages. CDPH continues to have concerns regarding the combination of THC and alcohol, and we will continue to review the issue.

#### **2. Caffeine as an additive:**

- Clarification was requested regarding the prohibition on caffeine as an additive. This prohibition is not intended to restrict the manufacture and cannabinoid infusion of products with naturally-occurring caffeine, such as coffee, tea, and chocolate. CDPH will make clarifying changes to the text for the MAUCRSA regulations.
- Requests were made to allow caffeine, perhaps a capped amount, to be added to products. CDPH will review the comments provided and remains committed to protecting public health.



### 3. Potentially hazardous foods as products:

- A majority of commenters expressed concerns regarding the prohibition on the manufacture of any product considered a potentially hazardous food. The most common concerns cited included:
  - That the prohibition would eliminate a large segment of the existing industry,
  - Many manufacturers and patients would turn to the black market,
  - Patient needs and desires for these products would not be met.
- On the other side, local jurisdictions, public health organizations, and the California Medical Association expressed support for the prohibition, due to the decreased risk of foodborne illnesses. CDPH continues to have concerns about product safety. Because cannabis is still considered an adulterant under federal laws, the same food safety laws and levels of oversight are not applicable to cannabis products. CDPH will continue to review the issue to ensure public health concerns are addressed.

### 4. Potentially hazardous foods as ingredients:

- Clarification was requested as to whether this restriction would apply to ingredients used in manufacturing. The restriction on the use of potentially hazardous foods is not intended to apply to ingredients (such as milk, butter, eggs, or juice), as long as the final product does not need time temperature controls to maintain its quality and safety. CDPH will make clarifying changes to the text for the MAUCRSA regulations.
- Similarly, clarification was requested as to whether the prohibition on canned foods would prohibit the use of cans as a packaging option. The prohibition only intended to apply to low-acid canned products, the kind that pose a risk of botulism. CDPH will make clarifying changes to the text for the MAUCRSA regulations.

### Shared Facilities

A request to allow for shared facilities or community kitchens (a shared facility is one in which multiple licensees share the same premises and equipment) was another common theme. Commenters expressed numerous potential benefits to shared facilities. However, because the



definition of “premises” added to MAUCRSA limits a premises to only one licensee, CDPH does not believe it has the authority to permit shared facilities and that a statutory change would be necessary in order to do so.

### **Definition of “Owner”**

The definition of “owner” and which individuals are required to be included as an owner in the licensing application will be revised according to the statutory requirements in the MAUCRSA. Many commenters expressed concerns that the requirement for any person who participates in the “direction, control, or management” of the cannabis business be licensed as an owner is overly broad and will be cumbersome for businesses to comply with.

CDPH is continuing to review this requirement in an effort to balance the intent of the MAUCRSA to vet individuals who have ownership in cannabis businesses with the business needs of the licensee. To this end, CDPH is also revisiting how businesses can notify the Department of changes in ownership and what categories of ownership change will require a new license application. CDPH will continue to review the requirements in conjunction with the CA Department of Food and Agriculture (CDFA) and the Bureau of Cannabis Control (BCC).

### **Application Denials and Evidence of Rehabilitation**

In addition to the reasons provided by statute for the denial of a license, CDPH specified several other reasons that a license may be denied. Comments on this section generally focused on whether the specified reasons were appropriate and sufficient. Suggestions included:

- Add additional factors to the list of criteria that could be used to deny a license application, such as whether the applicant has ever been denied a local license by any jurisdiction; or
- Clarification as to whether an applicant who currently holds a local license, but who was denied a local license in the past, can be denied a state license on those grounds.
- Publication of a specific list of criteria that CDPH will be using to evaluate applicants, such a list of prior convictions that would lead to denial or whether CDPH will be evaluating applicant’s industry experience and training.

It is CDPH’s interpretation that our statutory responsibility requires consideration of each applicant’s criminal history and evidence of rehabilitation on a case-by-case basis. There cannot be a list of prior convictions that would automatically result in denial of a license application. An applicant with prior convictions listed in the law is encouraged to include with the license application any information that shows evidence of rehabilitation.

Suggestions were also received to add additional information that could be presented as evidence of rehabilitation, for example the fact that the applicant holds a local license. CDPH will continue to review the suggestions for the next round of regulation text.

### **Labeling**

The first category of comments recommended that CDPH strengthen the labeling requirements. This set of comments requested changes such as increased font size for the health warnings, additional warning statements (such as risk of dependence, cardiovascular disease, and cancer), minimum coverage area of the label with health warnings, and plain packaging requirements (no logos, colors, or branding).

The second category of comments requested readjustments to the labeling requirements, such as minor changes to the mandated warning statements or clarification as to what constitutes “attractive to individuals under age 21.” Because the mandated warning statements are specified in statute, CDPH has no ability to alter them. CDPH will review all of the suggestions received regarding further clarifications for changes to the next draft of the regulations.

Finally, several comments disagreed with the prohibition against any claims of health or physical benefits. Requests were made to allow reference to emotions and moods, allow the product’s therapeutic value to be included on a label if it can be substantiated by scientific or medical findings or patient testimony, or instead require disclaimers similar to those of dietary supplements (“This statement has not been evaluated by the FDA”). CDPH will review the comments provided and remains committed to protecting public health through accurate labeling of cannabis products.

### **Packaging**

Comments on packaging requirements generally requested further clarification on certain elements, including:

- Whether all types of illustration are considered a “cartoon;”
- Whether the prohibition on the imitation of packaging of “products typically marketed to children” extends to items like juice boxes or soda cans;

CDPH will continue to review the suggestions for the next round of regulation text.

### **THC Product Symbol**

Comments on the THC product symbol recommended changes to be made to the symbol (changes to the color, requests for a pictorial element such as a cannabis leaf). CDPH will be revisiting the specifications of the symbol.

### **License Type: Ethanol**

Based upon comments received, CDPH will further clarify the use of ethanol in manufacturing. Ethanol extraction, if used in a manner that creates a risk of explosion or fire, such as high heat or pressure, would be classified as a Type 7 license. Other uses of ethanol, such as tinctures or “winterization” to refine extracts, would be considered Type 6.

### **Inventory Control**

The requirement for a licensee to conduct inventory reconciliation on a daily basis was widely considered impracticable and overly onerous. CDPH will be revisiting this requirement to ensure that the requirements for manufacturer licensees are in line with CDFA and BCC licensees.

### **Master Manufacturing Protocol**

Several requests were received to allow for multiple manufacturing protocols in order to account for different cannabis strains. CDPH understands the business needs behind this request and will revisit the issue in the text for the MAUCRA regulations.

Several requests were also received to eliminate the requirement that at least two individuals be involved in the manufacturing process, as this would effectively prohibit individual operators. CDPH understands the business needs behind this request and will revisit the issue in the text for the MAUCRA regulations.

### **Video Surveillance Requirements**

Primary concerns included the retention time and some of the specifications the system needs to meet. CDPH will continue to review the video surveillance requirements in conjunction with CDFA and BCC.

### **Waste Management**

Commenters requested clarification on many of the elements of the requirements for management of cannabis waste. CDPH will continue to review the requirements in conjunction with CDFA and BCC and will clarify that waste management should be done in accordance with existing state laws.

### **Fees**

Comments on the fees primarily focused on the impact to smaller businesses. Many expressed concern that Tier I and II businesses would be overburdened by the proposed fee. A common suggestion was to charge a percentage of annual revenue, rather than a flat fee, or cap the percentage of revenue that would comprise the fee (such as, \$3,000 or no more than 2% of the gross annual revenue).

The law requires CDPH to (1) establish fees on a scaled basis, based on the size of the business; and (2) through fees, cover the cost of administering the program, but not to exceed the reasonable regulatory cost. CDPH has calculated the proposed fees based upon the number of anticipated licensees and the budgeted cost of the program. Assessing a percentage of gross revenue as the fee could be considered a tax. Further, capping the fee at a certain percentage of gross revenue would not be tied to the reasonable cost of the program.

CDPH would like to assure licensees that the fees are intended to cover the costs of administering the program and can be reassessed in the future when licensing data is collected.

### **Proprietary Information**

CDPH is reviewing the requests to strengthen protections around trade secrets and proprietary information.

### **Inspections**

This regulation package only included a general overview of CDPH's inspection authority. Many commenters inquired about additional specificity, such as the frequency of inspections and the fines and penalties for violations of the statute or regulations. The statute provides a basic enforcement framework providing authority for inspections, recalls and embargos, citations and fines, and license suspensions and revocations. CDPH will be promulgating regulations to address specific inspection and enforcement details as a separate package in the near future.

### **Local Authority**

Many local jurisdictions requested that CDPH provide additional enforcement and inspection authority for the local jurisdiction. CDPH does not have statutory authority to enhance local government oversight by regulation, but local governments can adopt and enforce their own local ordinances.



**Hartman, Clare**

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**From:** Lauren Mendelsohn <lauren@omarfigueroa.com>  
**Sent:** Friday, September 29, 2017 2:00 PM  
**To:** Hartman, Clare  
**Subject:** Re: Feedback on draft cannabis ordinance  
**Attachments:** application\_guidelines\_to\_operate\_a\_commercial\_cannabis\_business\_in\_salinas.pdf

Clare,

Apologies for not getting back to you sooner. I've been reaching out to some cities who used merit-based systems to see how satisfied they are with the results and the process. I'm still waiting to hear back from most of them, but from what I've heard the process has been successful in each of these places. I will continue to update you on this as I hear more.

Grover Beach - <http://www.grover.org/DocumentCenter/View/6740>

California City - [http://www.californiacity-ca.gov/CC/Documents/Medical\\_Marijuana/Cal%20City%20Application%20Procedure.pdf](http://www.californiacity-ca.gov/CC/Documents/Medical_Marijuana/Cal%20City%20Application%20Procedure.pdf)

Hollister - <http://hollister.ca.gov/wp-content/uploads/2017/03/Hollister-Application-Procedure-FINAL-.pdf>

Salinas - (attached)

I think that, in the event two applications are received for dispensaries within 1000 feet of each other (assuming that radius stays the same), those applicants should be ranked using criteria similar to what was used above. Even if it's only a few questions, you're really just looking to differentiate the better candidate. The applicant that scores higher could continue through the permitting process.

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## APPLICATION GUIDELINES TO OPERATE A COMMERCIAL CANNABIS BUSINESS IN SALINAS

The application process for a license to operate a Commercial Cannabis Business ("CCB") in Salinas will open on **Monday, June 6, 2016**. Applications will be available at the City Attorney's Office located at 200 Lincoln Avenue, Salinas, CA, 93901, and on the City Attorney's webpage: [www.ci.salinas.ca.us/services/cityattorney](http://www.ci.salinas.ca.us/services/cityattorney). This outlines the application process, required materials, and other information necessary to operate a CCB in Salinas. To be considered, final applications **must be** submitted by 10:00AM on **Wednesday July, 6, 2016** at the City Attorney's Office located at 200 Lincoln Avenue, Salinas, CA, 93901.

### **BEFORE YOU APPLY:**

- Review the information to learn about the application process and which documents you will need.
- Review the application in its entirety to ensure that it is complete and accurate.
- Review the information on the commercial cannabis business application webpage: [www.ci.salinas.ca.us/services/cityattorney](http://www.ci.salinas.ca.us/services/cityattorney). This page includes the following information:
  - Local regulations governing Salinas CCB's: Salinas Municipal Code ("SMC") Chapter 16B.
  - Live Scan Form.
  - Additional application information: Ordinance No. 2566 NCS.
  - State laws governing CCB's: The California Department of Justice Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use and Senate Bill 420 (Medical Marijuana Program Act).
  - Local Zoning Ordinance Chapter 37.

### **GENERAL INFORMATION:**

- (1) **Application Process: Evaluation and Ranking:** The selection process shall consist of the following Four Phases:

Phase 1: Preliminary determination of eligibility.

Phase 2: Initial ranking.

Phase 3: Second ranking.

Phase 4: Public Meeting and Selection Committee's Final Recommendation.

For more information, see Evaluation and Selection Process below.

- (2) **Criminal History Check:** As part of Phase 1 of the Application Process, each individual applying to be a principal of the CCB ("Principal") must apply for a Live Scan criminal history check. This process can be conducted at the Salinas Police Department; however, the Police Department will be limited to processing no more than six applicants per day on a first come first serve basis due to limited staffing resources. Applicants are encouraged to utilize other entities which are authorized to process Live Scan documents to the DOJ/FBI and have the capability to provide passport quality photographs which is required as part of the application process.

Should you choose to use the Salinas Police Department for the Live Scan process there will be a **processing fee of \$47** per person which must be paid at the time of the Live Scan. If you choose to use another entity to process the Request for Live Scan Service Form, **it must have the Salinas Police Department ORI #CA0270800 and Mail Code 05467**. In addition, it must state in the field titled "Authorized Applicant Type" the description "Commercial Cannabis Business Permit". Failure to ensure this information is on the form



may delay or disqualify you from the application process. In order to ensure that you have the right form and the required information we recommend that you use the form that has been provided to you in the application package. This form can also be found on the City of Salinas website as noted on this guideline. However, in any case you must include proof of Live Scan payment with the application. The Live Scan process involves submitting fingerprints to the DOJ/FBI, which will review for criminal offender record information (CORI). CORI reports will be provided to the Salinas Police Department for the sole purpose of determining eligibility for operating a CCB. See S.M.C Section 16B-30.190 (m) for background check requirements. Principals who do not meet criminal history eligibility requirements will be disqualified.

- (3) Applicants will be required to obtain a "Zoning Information Letter" from the Planning Division of the Community Development Department (located at 65 West Alisal Street in Salinas) in order to ensure the location they are applying for meets all the zoning requirements prior to submitting their CCB application. The review process typically takes approximately ten (10) working days and cost **\$280.35**. The "Zoning Information Letter" will need to be included with the application package. Please note the issuance of a "Zoning Information Letter" does not mean the written evidence of permission given by the City of Salinas or any of its officials to operate a CCB nor does it not mean "permit" within the meaning of the Permit Streamlining Act, nor does it constitute an entitlement under the Zoning or Building Codes, and a regulatory permit for the purpose of regulating a CCB does not constitute a permit that runs with the land on which the CCB is established.
- (4) **Application:** Hand deliver three (3) complete comprehensive and signed copies of the Salinas Commercial Cannabis Application Form, and all attachments, if any, a flash drive which contains a comprehensive and signed copy of the application in a pdf format, and payment of **\$415** for the initial application fee by **10:00 AM on Wednesday, July 6, 2016**. Payment must be made by a certified check, cashier's check or money order made payable to the City of Salinas. Application Fees are non-refundable. A complete application will consist of the following information:
- a. The Salinas Commercial Cannabis Application Form;
  - b. Proof of Live Scan payment for each of the Principals;
  - c. Zoning Information Letter; and
  - d. All of the information about the CCB to be evaluated in Phase 2 and Phase 3.  
The only information that can be submitted after the initial application is proof of property ownership or a signed and notarized statement from the property owner. However, any change in location will require a new "Zoning Information Letter" and must be submitted with the application package prior to Phase 3 of the selection process.

**Late and incomplete applications will not be considered.**

(5) **Medical Cannabis Expertise Examination:** The City at its sole discretion may require one Principal from each application to take and pass the Medical Cannabis Expertise Examination. The test may be administered for the top ten (10) finalists from each permitted category to award up to twenty -five (25) additional bonus points. The examination will test the applicant's familiarity with the Salinas Ordinance, the Medical Marijuana Regulation and Safety Act, California Law related to medical cannabis, and the Attorney General's Guidelines on Medicinal Cannabis. This Optional Phase 2A would be taken prior to the scheduling of interviews for Phase 3, should the City deem it necessary.

(6) **Amendments to the Application:** Applicants will not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these Guidelines. During Phase 1, applicants will be notified if any of the Principals are ineligible and/or if their application is incomplete.

(7) **Payment of Application Fees:** The individual designated as the CCB contact on the application will be notified by e-mail as to whether the application is advancing to Phase 2 and, subsequently, to Phase 3. A payment of **\$913** will be due before Phase 2 and a payment of **\$1,760** will be due before Phase 3. Deadlines for these payments will be included in the e-mail notification.

**(8) Public Meeting:** After Phase 3 and within 30 days of notification, the top five applicants for each category must participate in a public meeting which will be held at the City of Salinas Council Chambers located at 200 Lincoln Avenue, Salinas, CA 93901. Notice of this meeting must be provided by the top five (5) applicants in accordance with S.M.C. Chapter 37-60.400 and proof of such notice must be provided to the City at least five (5) days in advance of the date set for the meeting.

### **EVALUATION AND SELECTION PROCESS:**

The evaluation and selection process shall consist of the following four phases:

➤ **Phase 1: Determination of Eligibility and Application**

- Each Principal must undergo a criminal history check demonstrating compliance with the eligibility requirements of S.M.C. Section 16B-30.190 (m) for background checks.
- Applications must be complete to be considered. Applications will be considered complete only if they include all information required for Phases 1, 2 and 3.
- Proposed location of business.

➤ **Phase 2: Initial Ranking (1,500 Points)**

- Applications will be evaluated based on the following criteria:
  - Proposed Location of business (300 Points)
  - Business Plan (400 Points)
  - Neighborhood Compatibility Plan (400 Points)
  - Safety and Security Plan (400 Points)
- The top 10 applications for each category, if applicable, will move on to Phase 3.

➤ **Phase 3: Second Ranking (2,500 Points)**

- The top 10 applications in each category, if applicable, will be interviewed and evaluated by the Selection Committee based on the criteria listed below.
- Prior to the scheduling of the interviews in Phase 3 each of the final ten (10) applicants per category will be required to have their proposed site inspected by designated city staff to ascertain current conditions of the facility.
- One Principal may be required to pass a Medical Cannabis Expertise Examination, demonstrating a working knowledge of state and local compliance standards as well as the Attorney General's Guidelines on Medicinal Cannabis.
- The second ranking will be scored based on the following criteria:
  - Final Location (proof of ownership or a signed and notarized statement from the Property Owner Per S.M.C. Section 16B-30.60 (500 Points)
  - Community Benefits (300 Points)
  - Enhanced Product Safety (200 Points)
  - Environmental Benefits (200 Points)
  - Labor & Employment (300 Points)
  - Local Enterprise (500 Points)
  - Qualifications of Principals (500)
- After all the applicants from Phase 3 scores have been tabulated they will be combined with Phase 2 to establish a new ranking of the top ten (10) applicants. The top five (5) applicants for each category, if applicable, will move onto Phase 4 of the selection process.

➤ **Phase 4: Public Meeting and Selection Committee's Final Determination**

After Phase 3 and within 30 days of notification, the top five (5) applicants in each category shall participate in a public meeting which will be held in the Salinas City Hall Council Chambers on a date and time to be determined by City staff. At the Public Meeting the community will be allowed to present concerns and/or support and provide additional



considerations for potential permit conditions that will be created by staff. The Public Meeting will not be determinative to who gets the permit but shall inform staff of potential concerns for which a condition or conditions may be necessary to address. Furthermore, decisions, recommendations, and conditions will be based primarily on community input, site inspection results, business feasibility, and the viability of the proposed location. After the completion of the Public Meeting and prior to making its final determinations, the Selection Committee may request and obtain additional information from any candidate who submitted a proposal. Upon the completion of the final review process the Selection Committee will tabulate its final scoring of the top five (5) applicants for each category and will award permits to the top three (3) applications (based on points) in each of the qualified categories.

Notice of the public meeting must be provided pursuant to S.M.C. Chapter 37-60.400. Notice of the public meeting shall be sent to all property owners located within five hundred (500) feet of the proposed business locations of each of the top five (5) finalists in each permitted category.

- Following an objective ranking of the application materials, interview process, and upon the completion of the public meeting, City staff shall prepare an informational report to the City Council informing them of the Selection Committee's final determination for each permitted category.
- The top three (3) applicants from each category may then be awarded a CCB Permit. Please note that being awarded a CCB does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for any and all construction including electrical, plumbing, fire, planning permits or reviews, and any other permits, licenses, or reviews as may be necessary by the relevant departments or governmental entities in charge of said permits. Nor does it guarantee that the plans submitted via the CCB application process meet the standards or requirements of those permitting departments. All permit awardees will still be required to complete all the permitting processes for the proposed construction of their facility.

#### **DESCRIPTION OF EVALUATION CRITERIA:**

- **Proposed Location.** Your application must include the address and a detailed description of the proposed location. (Note that proof of ownership, or a notarized letter of the owner's willingness to lease will not be given any additional consideration until Phase 3). This section should also describe all sensitive uses within a 1,000-foot radius such as schools, parks, libraries, churches, and any other sensitive uses as described in S.M.C. Section 16B-30.70. The CCB must be located in the appropriate zoning and must not be within a 1,000-foot radius of schools, churches, libraries, college or other sensitive uses as in described in S.M.C Section 16B-30.70.
- **Business Plan.** With as much detail as possible, the Business Plan should describe:
  - Description of day-to-day operations.
  - How the CCB will conform to local and state law. See S.M.C. Chapter 16B-30-190, Chapter 37-10.190, and Ordinance 2566 NCS, and the Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use.
  - Mechanisms for ensuring that the CCB will operate on a Not-for-Profit basis until the Medical Marijuana Regulation and Safety Act is fully in effect.
  - How medical cannabis will be tracked and monitored to prevent diversion.
  - A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.

The Business Plan should include:

- A **budget** for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds.

**Proof of capitalization**, in the form of documentation of cash or other liquid assets on hand,



- Letters of Credit or other equivalent assets.
- A **pro forma** for at least three years of operation.
- **Neighborhood Compatibility Plan.** For the proposed location, your application should address how the CCB, including its exterior areas and surrounding public areas, will be managed, so as to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community. Furthermore, a site plan (accurate, dimensioned and to-scale [minimum scale of 1/16"]) should be included for each potential location.
- **Safety and Security Plan.** For each proposed location, your application should include:
  - A detailed **safety plan.** This plan should describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. **It should include an assessment of the facility's fire safety by a qualified fire prevention and suppression consultant.** An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.
  - A detailed **security plan.** This plan should include a description and detailed schematic of the overall facility security. It should have details on operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, 3rd party contractor security, and delivery security. In particular, applications should address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed. **The security plan shall also include an assessment of site security by a qualified security consultant.** Security plans will not be made public.
  - A **floor plan** showing existing conditions. If changes are proposed as part of the project, then a proposed floor plan should also be submitted. The floor plan(s) should be accurate, dimensioned and to-scale (minimum scale of 1/8").
- **Community Benefits.** The application should describe benefits that the CCB would provide to the local community, such as employment for local residents of the City, community contributions, or economic incentives to the City, etc.
- **Enhanced Product Safety.** The application should state how the CCB will ensure enhanced consumer safety beyond that required by S.M.C. Section 16B-30.180.
- **Environmental Benefits.** The application should describe any proposed "green" business practices relating to energy and climate, water conservation and energy efficiency, and materials and waste Management.
- **Technology and Innovation.** The application should describe how technology and innovation will be incorporated into the business practices and how/whether medical research opportunities will be incorporated into the business plan.
- **Labor & Employment.** The application should describe to what extent the CCB will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees. Specific practices that are subject to consideration include the following:
  - providing compensation to and opportunities for continuing education and training of employees/staff (applications should provide proof of the CCB policy and regulations);
  - providing a "living wage" to facility staff and employees. Wage scale should be provided in writing for all levels of employment at the facility. "Living Wage" shall mean 200% of the minimum wage mandated by California or Federal law, whichever is greater.
- **Local Enterprise.** The application should state the extent to which the CCB will be a locally managed enterprise whose Principals reside within Salinas and/or the County of Monterey.
- **Qualifications of Principals.** The application should include information concerning any special business or professional qualifications or licenses of principals that would add to the number or quality of services that the CCB would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

#### The City's Reservation of Right's

The City reserves the right to reject any and/or all proposals, with or without any cause or reason. The City may

also, modify, postpone, or cancel the request for permit applications without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any candidate submitting a proposal. Furthermore, a proposal RISKS BEING REJECTED for any of the following reasons:

1. Proposal received after designated time and date.
2. Proposal not containing the required elements, exhibits, nor organized in the required format.
3. Proposal considered not fully responsive to this request for a permit application.
4. Proposal contains excess or extraneous material not called for in the request for permit application.

**CONTACT:**

If you have any questions or would like an update on the status of your application, please email Chris Callihan, City Attorney, at [chrisc@ci.salinas.ca.us](mailto:chrisc@ci.salinas.ca.us) and David McPherson at [mjsalinas@ci.salinas.ca.us](mailto:mjsalinas@ci.salinas.ca.us).





# City of Grover Beach Planning Division

## CANNABIS DISPENSARY PRE-APPLICATION PROCESS

154 South Eighth Street - Grover Beach, CA 93433 – Phone (805) 473-4520 - [www.groverbeach.org](http://www.groverbeach.org)

The City of Grover Beach Municipal Code allows a maximum of two medical cannabis dispensaries. In anticipation of high demand for the two dispensaries, the Council has adopted criteria to select eligible applicants to proceed with submitting a Use Permit and Commercial Cannabis Permit application to operate the two dispensaries. Eligible applicants are not guaranteed that a Use Permit and Commercial Cannabis Permit will be approved for the proposed dispensary. The City will accept applications for a limited time **beginning on Monday, June 12, 2017**. To be considered, applications **must be submitted by 4:00 PM on Monday July 10, 2017** to the Community Development Department at 154 South 8<sup>th</sup> Street, Grover Beach, CA, 93433. Application materials will be available on the City's website at [www.groverbeach.org](http://www.groverbeach.org) or at City Hall.

This handout outlines the pre-application process, required submittal materials, and other information necessary to submit a Dispensary Pre-application. For questions regarding the dispensary pre-application process, please review the Cannabis Dispensary FAQ's on the City's webpage at [www.groverbeach.org](http://www.groverbeach.org). This application process is adopted pursuant to City Council Resolution 17-30.

### **BEFORE YOU APPLY**

Review the information available on the City's webpage at [www.groverbeach.org](http://www.groverbeach.org) and be knowledgeable about the following:

- City's dispensary pre-application process and the submittal requirements.
- City's Commercial Medical Cannabis Ordinance requirements.
- Current State laws governing medical cannabis and medical cannabis dispensaries.
- The California Department of Justice Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use and Senate Bill 420 (Medical Marijuana Program Act).
- Medical Cannabis Safety Act (MCRSA).
- Review the application in its entirety to ensure that it is complete and accurate prior to submitting.

### **APPLICATION REQUIREMENTS**

Applicants must submit one copy of the complete Dispensary Pre-application including all submittal requirements and a flash drive with a copy of the application in pdf format **no later than 4:00 PM on Monday July 10, 2017**. A complete application must consist of the following information:

- Dispensary Pre-application Form;
- Dispensary Pre-Application fee of \$8,100 plus \$750 for the background check of each principal/owner. If an applicant is disqualified as part of Phase 1, the application fee will be refunded less the cost to conduct the background check and staff time spent reviewing the application.
- Setback Verification Exhibit prepared and stamped by a licensed surveyor or civil engineer indicating that the proposed location meets the minimum setbacks as required by GBMC Article IX Section 4.10.045(F). If your proposed location is clearly beyond the minimum setback requirements, please indicate in your application and the requirements may be waived.
- All the Submittal Requirements listed on pages 3 and 4.

If a delay occurs in the Live Scan or background check, the City may move forward with the Phase 2 Ranking Process to expedite the application process. In this case Applicants wishing to move forward in the process shall acknowledge by signing the application that they agree to these terms and should they be disqualified because of a background check or a Live Scan disqualification they will not be eligible for a refund of the application fees. Applicants will not be allowed to make amendments to their application or to supplement their application once submitted.



## **EVALUATION AND SELECTION PROCESS**

The evaluation and selection process shall consist of the following three phases:

### **Phase 1: Preliminary Determination of Eligibility**

The purpose of this phase is to determine that the proposed location is allowed (i.e., meets minimum setback requirements), a complete application with all the required information has been submitted, and the applicants have passed the Live Scan and background check and there is no "good cause" for denial of the permit as defined in GBMC Article III Chapter 18 Section 4000.40. Applicant is defined in GBMC Article III Chapter 18 Section 4000.20(B). Applicants that do not pass this phase will be disqualified.

### **Phase 2: Ranking Process**

The purpose of this phase is to have the Selection Committee comprehensively review, rank and interview all applicants based on the six evaluation criteria listed below as the submittal requirements. Prior to finalizing the scores, the Selection Committee could also request any additional information from the applicants. The City Manager would recommend that the City Council adopt an Eligibility Ranking List with all applicants that score 80 points or higher ranked from highest to lowest score. The applications will be evaluated based on the following six criteria (weighted scores shown in parentheses):

- Proposed Dispensary Site (10 Points)
- Business Plan (25 Points)
- Qualifications and Experience of Principals (25 Points)
- Neighborhood Compatibility Plan (15 Points)
- Operations and Security Plan (15 Points)
- Local Enterprise (10 Points)

### **Phase 3: City Council Approval of the Eligibility Ranking List**

The purpose of this phase is to have the City Manager present the final ranking and recommendation to the City Council. Applicants that are being recommended by the City Manager for inclusion on the Eligibility Ranking List should attend the City Council meeting and be prepared to respond to questions from the City Council. The City Council is solely responsible for determining the final Eligibility Ranking List including the number of dispensaries. The City Council also reserves the right to approve an Eligibility Ranking List with less than two dispensaries, or no dispensaries at all.

### **Eligible Applicants**

The top two applicants on the final Eligibility Ranking List may proceed to submit a Use Permit and Commercial Cannabis Permit applications. If the applications are not submitted to the Community Development Department within 60 days of the City Council approval of the Eligibility Ranking List, the applicant will be disqualified and removed from the Eligibility Ranking List.

Please note that being placed on the Eligibility Ranking List does not constitute approval of the Use Permit or the Commercial Cannabis Permit and does not waive or remove the requirements of applying for and receiving construction permits. It also does not guarantee that the plans submitted for the dispensary pre-application process meet the standards or requirements of the City's Commercial Medical Cannabis Ordinances or other permitting agencies.

## **SUBMITTAL REQUIREMENTS**

The items listed below shall be submitted with the Dispensary Pre-application and will be used as the criteria to evaluate the proposals. Please provide a response to all items even if it is not applicable to your dispensary pre-application.

**1. Proposed Dispensary Location.** At a minimum, the following information shall be submitted on the proposed dispensary location:

- The address and Assessor Parcel Number.
- Proof of property ownership, or a notarized letter of the property owner's willingness to lease the property.
- Describe all sensitive uses within three hundred feet as measured from the lot boundary of the proposed location to the lot boundary of the sensitive use including residential uses, youth oriented activities/uses and commercial daycare centers.
- A Conceptual Site Plan that is accurate, dimensioned and to-scale (minimum scale of 1"=10') indicating at a minimum the lot dimensions, all buildings, parking, parking aisles, public entry, delivery area, and other information relevant to the site. Also indicate if there are other non-dispensary uses existing or proposed on the site.
- Setback Verification Exhibit prepared and stamped by a licensed surveyor or civil engineer indicating that the proposed location meets the minimum setbacks as required by GBMC Article IX Section 4.10.045(F). If your proposed location is clearly beyond the minimum setback requirements, please indicate in your application and the requirements may be waived.

**2. Business Plan.** At a minimum, the Business Plan shall describe in detail the following:

- Description of day-to-day operations which meet industry best practices for medical cannabis dispensaries.
- How the proposed dispensary will conform to the City's ordinances, state law, and the Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use.
- How cannabis will be tracked and monitored to prevent diversion.
- A detailed description of all proposed site and building improvements including other proposed non-dispensary cannabis uses (i.e., vertically integrated uses).
- A schedule including the timeline for submitting required construction plans, construction of site and building improvements, and dispensary opening.

The Business Plan should also include the following (this information is confidential and will not be made available to the public, and must be clearly labeled as confidential):

- A **budget** for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget shall demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds.
- **Proof of capitalization**, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
- A **pro forma** for at least three years of operation.
- A description of banking practices, if applicable.

**3. Qualifications and Experience of Principals.** The application shall provide the following:

- Resumes of all principals including experience operating dispensaries.
- Information regarding any special business or professional qualifications or licenses of principals that would add to the number or quality of services that the dispensary would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

4. **Neighborhood Compatibility Plan.** The application shall provide the following:
  - How the dispensary, including its exterior areas and surrounding public areas, will be managed to avoid becoming a nuisance or having impacts on adjacent properties and the surrounding neighborhood.
  - Demonstrate how odors would remain within the building and not be detectable from adjacent properties or businesses as required by GBMC Article III Chapter 18 Section 4000.180(H).
5. **Local Enterprise.** The application should state the following:
  - Extent to which the dispensary will be a locally managed enterprise and/or if principals/owners reside within Grover Beach and/or San Luis Obispo County or Northern Santa Barbara County.
6. **Operations and Security Plan.** The application shall demonstrate compliance with Article III Chapter 18 including the following (this information is confidential and will not be made available to the public, and must be clearly labeled as confidential):
  - A **preliminary floor plan** that is accurate, dimensioned and to-scale (minimum scale of 1/4"=1') indicating the proposed uses.
  - A security plan including a description and schematic of the overall facility security with details on operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, delivery loading/unloading security, and third party contractor security, if applicable. In particular, the plan shall address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed.

#### **QUESTIONS**

If you have any questions, please visit the Cannabis FAQs on the City's website at [www.groverbeach.org](http://www.groverbeach.org). Questions can also be email to [commdev@groverbeach.org](mailto:commdev@groverbeach.org).





## APPLICATION PROCEDURE TO OPERATE A MEDICAL MARIJUANA BUSINESS IN CALIFORNIA CITY

The application process for a license to operate a Medical Marijuana Businesses (“MMB”) in California City will open on **Monday October 17th, 2016**. Applications will be available at the Public Works Department, Planning Division located at City Hall. For questions regarding the application process please review the FAQ’s, at the California City’s webpage: [www.Californiacity-ca.gov](http://www.Californiacity-ca.gov). This outlines the application process, required materials, and other information necessary to operate a MMB in California City. To be considered, final applications **must be** submitted on Monday, by **4:00 PM on December 19th, 2016** at the Public Works Department, Planning Division located at 21000 Hacienda Boulevard, California City, CA, 93505. This application process is adopted pursuant to California City Municipal Code Section 5-6.501.

### **BEFORE YOU APPLY:**

- Review the information to learn about the application process and which documents you will need.
- Review the application in its entirety to ensure that it is complete and accurate.
- Review the information regarding the medical marijuana business application on the webpage: [www.Californiacity-ca.gov](http://www.Californiacity-ca.gov) which includes the following information:
  - Local regulations governing California City MMB’s: California City Municipal Code (“CCMC”) Title 5 Chapter 6.
  - Live Scan Form.
  - Additional application information: Ordinance No. 16-742
  - State laws governing MMB’s: The California Department of Justice Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use and Senate Bill 420 (Medical Marijuana Program Act).
  - Local Zoning Ordinance Title 9 Chapter 2
  - Frequently Asked Questions

- (1) **Application Process: Evaluation and Ranking:** The selection process shall consist of the following Four Phases:

Phase 1: Preliminary determination of eligibility. \$3,258.00

Phase 2: Initial ranking. \$701.00

Phase 3: Second ranking. \$1,790.00

Phase 4: Public Meeting and City Council Final Selection. \$1,937.00

For more information, see Evaluation and Selection Process below.

- (2) **Criminal History Check:** As part of Phase 1 of the Application Process, each individual applying to be a principal of the MMB (“Principal”) must apply for a Live Scan criminal history check. This process must be conducted only by California City Police Department unless these procedures are amended in which case the City will post the updated procedures on the City Website. However, the Police Department will be limited to processing no more than six (6) individuals per day and applicants will be required to make an appointment in advanced to ensure that the proper CCPD staff are available to conduct this process. In addition, due to limited staff resources you are encouraged to schedule your appointment as early as possible in order complete your Live Scan requirement before the due date of the application. The City cannot guarantee that it will be able to accommodate applicants who do not get their Live Scan completed closer to the application deadline. Please be advised that there will be a Live Scan **processing fee of**



**\$78.00** per person which must be paid at the time of the Live Scan. The Live Scan process involves submitting fingerprints to the DOJ/FBI, which will review for criminal offender record information (CORI). CORI reports will be provided to California City for the sole purpose of determining eligibility for operating a MMB. See CCMC Chapter 5-6.906 (m) for background check requirements. Principals who do not meet criminal history eligibility requirements will be disqualified.

- (3) Applicants will be required to obtain a **“Zoning Verification Letter”** from the Public Works Department, Planning Division in City Hall, located at 21000 Hacienda Boulevard, in California City in order to ensure that the location proposal the applicant is applying for meets locational requirements prior to submitting their MMB application. The review process typically takes approximately ten (10) working days and cost **\$250.00**. The **“Zoning Verification Letter”** will need to be included with the application package. Please note the issuance of a **“Zoning Verification Letter”** does not mean the written evidence of permission given by California City or any of its officials to operate a MMB, nor does it not mean **“permit”** within the meaning of the Permit Streamlining Act, nor does it constitute an entitlement under the Zoning or Building Code. A regulatory permit for the purpose of regulating a MMB does not constitute a permit that runs with the land on which the MMB is established. Request for Zoning Verification Letters require a written request to the Public Works Department, Planning Division and will not be completed over the counter since it may require additional research and review.
- (4) **Application:** Applicants must hand deliver two (2) complete comprehensive and signed copies of the California City Medical Marijuana Business Application Form, and all attachments, if any, along with a flash drive which contains one comprehensive and signed copy of the application in a pdf format, and payment of **\$3,258.00** for the initial application fee by **4:00 PM on Monday December 19th, 2016**. Payment must be made by a certified check, cashier’s check or money order made payable to **“California City”**. Please note the City will not accept cash and Application Fees are non-refundable. A complete application will consist of the following information:
- a. The California City Medical Marijuana Business Application Form;
  - b. Proof of Live Scan payment for each of the Principals;
  - c. Zoning Verification Letter; and
  - d. All of the information about the MMB to be evaluated in Phase 1, Phase 2 and Phase 3 which is described in the Application and Evaluation Process section below in this procedure. The only information that can be submitted after the initial application is proof of property ownership or lease agreement. However, any change in location will require a new **“Zoning Verification Letter”** and must be submitted with the application package prior to Phase 3 of the selection process. Please note that should you choose to submit a different location prior to Phase 3 you can only do so if your initial proposed site was eligible as part of your original application package submitted on December 19th, 2016.

**LATE AND INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED.**

- (5) **Medical Cannabis Expertise Examination:** The City at its sole discretion may require one Principal from each application to take and pass the Medical Cannabis Expertise Examination. The test may be administered for the top thirty (30) cultivation permit applicants and the top ten (10) finalists for each of the other permitted categories to award up to twenty-five (25) additional bonus points. The examination will test the applicant’s familiarity with the California City Ordinance, the Medical Marijuana Regulation and Safety Act, California Law related to medical cannabis, the Attorney General’s Guidelines on Medicinal Cannabis and subsequently any new marijuana laws which may go into effect prior to this examine. This Optional Phase 2A would be taken prior to the scheduling of interviews for Phase 3, should the City deem it necessary.
- (6) **Amendments to the Application:** Applicants will not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these procedures or authorized in writing by the City. During Phase 1, applicants will be notified if any of the Principals are ineligible and/or if their application is incomplete and will not move forward in the application process. However, in some cases the City may move forward in the application process to



other phases should it anticipate that the Live Scan will take a significant amount of time to be returned to the City. In this case Applicants wishing to move forward in the process acknowledge by signing the application that they agree to these terms and should they be disqualified as a result of a background or a Live Scan disqualification they will not be eligible for a refund of any fees collected resulting from the modification of this procedure.

**(7) Payment of Application Fees:** The individual designated as the MMB contact on the application will be notified by e-mail as to whether the application is advancing to Phase 2 and, subsequently, to Phase 3. A payment of \$701.00 will be due before Phase 2 and a payment of \$1,790.00 will be due before Phase 3. As part of Phase 4 the top eligible Applicants for each category as determined by the Ordinance or by resolution will be presented to City Council and must pay a fee of \$1,937.00 in order to move forward for final consideration for each permitted category. Deadlines for these payments will be included in the e-mail notification to the primary contact person.

**(8) Public Meeting:** After Phase 3, and before Phase 4, the top thirty (30) cultivation applicants and the top three (3) applicants for all other categories excluding dispensaries must participate in a public meeting which will be held at the California City Council Chambers located at 21000 Hacienda Boulevard, California City, CA 92870. Notice of this meeting must be provided by the City to any affected business within 300 feet of the proposed location for each of the top applicants for each category in accordance with CCMC Chapter 5-6.701. The cost of providing this notification will be paid by the applicants as part of the fee in Phase 4 of the selection process.

#### **EVALUATION AND SELECTION PROCESS:**

The evaluation and selection process shall consist of the following four phases:

➤ **Phase 1: Determination of Eligibility and Application**

- Each Principal must undergo a criminal history check demonstrating compliance with the eligibility requirements of CCMC Chapter 5-6.906 (m) for background checks.
- Applications must be complete to be considered. Applications will be considered complete only if they include all information required for Phases 1, 2 and 3.
- Proposed location of business.
- Execute an agreement indemnifying the City from liability.

➤ **Phase 2: Initial Ranking (1,500 Points)**

- Applications will be evaluated based on the following criteria:
  - Proposed Location of business (300 Points)
  - Business Plan (400 Points)
  - Neighborhood Compatibility Plan (400 Points)
  - Safety and Security Plan (400 Points)
- The top twenty five (25) applications for cultivation and the top ten (10) applications for all other categories excluding dispensaries at this time, if applicable, will move on to Phase 3.

➤ **Phase 3: Second Ranking (2,500 Points)**

- The top twenty five (25) applications for cultivation and the top twenty (20) applications for all other categories excluding dispensaries, if applicable, will be interviewed and evaluated by the Selection Committee based on the criteria listed below.
- Prior to the scheduling of the interviews in Phase 3 each of the applicants per category will be required to have their proposed site inspected by the assigned City designee if there is an existing building structure to ascertain current conditions of the facility.
- One Principal may be required to pass a Medical Cannabis Expertise Examination, demonstrating a working knowledge of state and local compliance standards as well as the Attorney General's Guidelines on Medicinal Cannabis.
- The second ranking will be scored based on the following criteria:

- Final Location (proof of ownership or a signed and notarized statement from the Property Owner) (200 Points)
  - Business Plan (300 Points)
  - Community Benefits (300 Points)
  - Enhanced Product Safety (200 Points)
  - Environmental Benefits (300 Points)
  - Labor & Employment (200 Points)
  - Local Enterprise (200 Points)
  - Neighborhood Compatibility Plan (200 Points)
  - Qualifications of Principals (300 Points)
  - Safety and Security Plan (300 Points)
- After all the applicants from Phase 3 scores have been tabulated they will be combined with Phase 2 to establish a new ranking of the top applicants. The top twenty (20) applicants for cultivation and the top three (3) applicants for each category, if applicable, will move onto Phase 4 of the selection process.

**Phase 4 Steps to be followed:**

1. Public Meeting of top twenty (20) Cultivators and top three (3) applicants for all other categories excluding dispensaries.
2. Selection Committee's final review and evaluation.
3. City staff prepares and presents final report to City Council.
4. City Council makes final selection.

After Phase 3, and before Phase 4, the top twenty (20) Cultivation applicants and the top three (3) applicants from all other categories shall participate in a public meeting which will be held in the California City Council Chambers on a date and time to be determined by City staff. At the Public Meeting the community will be allowed to present concerns and/or support and provide additional considerations for potential permit conditions that may be implemented by staff. The Public Meeting will not be determinative as to who gets the permit but shall inform staff of potential concerns for which a condition or conditions may be necessary to address. Furthermore, decisions, recommendations, and conditions will be based primarily on site inspection results, business feasibility, and the viability of the proposed location. After the completion of the Public Meeting and prior to the Selection Committee's final recommendation to City Council, the City reserves the right to request and obtain additional information from any candidate who submitted a proposal. Upon the completion of the final review process, the Selection Committee will tabulate its final scoring of all the applicants for each category and present to the City Council final scoring of the top fifteen (15) cultivation applicants and the top two (2) applicants from all other categories excluding dispensaries for which the City Council will make the final decision on who may be awarded a permit for each of the qualified categories. The top applicants should be prepared to attend a City Council meeting in California City in case the Mayor and City Council has any additional questions before making their final decision.

Notice of the public meeting must be provided pursuant to CCMC Section 5-6.701. Notice of the public meeting shall be sent to all property owners located within three hundred (300) feet of the proposed business locations of each of the top finalists in each permitted category.

- Following an objective ranking of the application materials, interview process, and upon the completion of the public meeting, City staff shall prepare a report bringing forward to the City Council the final ranking by the Selection Committee of the top fifteen (15) cultivation applicants and top two (2) applicants for all other categories excluding dispensaries. Please note that being awarded a MMB does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for any and all construction



including electrical, plumbing, fire, planning permits or reviews, and any other permits, licenses, or reviews as may be necessary by the relevant departments or governmental entities in charge of said permits. Nor does it guarantee that the plans submitted via the MMB application process meet the standards or requirements of those permitting departments. All permit awardees will still be required to complete all the permitting processes for the proposed construction or occupation of their facility.

#### **DESCRIPTION OF EVALUATION CRITERIA:**

- **Proposed Location.** Your application must include the address and a detailed description of the proposed location. (Note that proof of ownership, or a notarized letter of the owner's willingness to lease will not be given any additional consideration until Phase 3). This section should also describe all sensitive uses and shall not be any closer than one thousand (1,000) feet from any parcel containing a school, college or university (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12); churches or other house of worship; a park, daycare facility serving nine or more children and is licensed by the county; a drug or alcohol rehabilitation facility providing on-site medical treatment as described in Section CCMC 9-2-2903. The MMB must be located in the appropriate zoning and meet all of the locational requirements as in described in CCMC Chapter 2 Zoning.
- **Business Plan.** With as much detail as possible, the Business Plan should describe:
  - Description of day-to-day operations. See CCMC Section 5-6.1001.
  - How the MMB will conform to local and state law. See CCMC Sections 5-6.101, 5-6.1101, 5-6.1401, 5-6.1402, 5-6.1403, 5-6.1405, and the Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use.
  - Mechanisms for ensuring that the MMB will operate on a Not-for-Profit basis until the Medical Cannabis Regulation and Safety Act is fully in effect.
  - How medical cannabis will be tracked and monitored to prevent diversion.
  - A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.

The Business Plan should include:

- A **budget** for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds.
  - Proof of capitalization**, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
- A **pro forma** for at least three years of operation.
- **Neighborhood Compatibility Plan.** For the proposed location, your application should address how the MMB, including its exterior areas and surrounding public areas, will be managed, so as to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community. Furthermore, a site plan (accurate, dimensioned and to-scale [minimum scale of 1/4"]) should be included for each potential location. The scale may be smaller if it exceeds more than a ½ acre parcel but must not be printed on no more than a 11X 17 sheet of paper.
- **Safety and Security Plan.** For each proposed location, your application should include:
  - A detailed **safety plan**. This plan should describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. **It should include an assessment of the facility's fire safety by a qualified fire prevention and suppression consultant.** An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.
  - A detailed **security plan**. This plan should include a description and detailed schematic of the overall facility security. It should have details on operational security, including but not



limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, 3rd party contractor security, and delivery security. In particular, applications should address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed. **The security plan shall also include an assessment of site security by a qualified security consultant.** Security plans will not be made public. A **floor plan** showing existing conditions. If changes are proposed as part of the project, then a proposed floor plan should also be submitted. The floor plan(s) should be accurate, dimensioned and to-scale (minimum scale of 1/4"). The scale maybe smaller if it exceeds more than a ½ acre parcel but must not be printed on no more than a 11X 17 sheet of paper.

- **Community Benefits.** The application should describe benefits that the MMB would provide to the local community, such as employment for local residents of the City, community contributions, or economic incentives to the City.
- **Enhanced Product Safety.** The application should state how the MMB will ensure enhanced consumer safety as required by State or local law.
- **Environmental Benefits.** The application should describe any proposed "green" business practices relating to energy and climate, water conservation, and materials and waste management.
- Labor & Employment.** The application should describe to what extent the MMB will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees. Specific practices that are subject to consideration include the following:
  - Providing compensation to and opportunities for continuing education and training of employees/staff (applications should provide proof of the MMB policy and regulations to employees);
  - Providing a "living wage" to facility staff and employees. Wage scale should be provided in writing for all levels of employment at the facility. "Living Wage" shall mean 200% of the minimum wage mandated by California or Federal law, whichever is greater.
- **Local Enterprise.** The application should state the extent to which the MMB will be a locally managed enterprise whose Principals reside within California City and/or Kern County.
- **Qualifications of Principals.** The application should include information concerning any special business or professional qualifications or licenses of principals that would add to the number or quality of services that the MMB would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

### **The City's Reservation of Right's**

The City reserves the right to reject any and/or all proposals, with or without any cause or reason. The City may also, modify, postpone, or cancel the request for permit applications without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any candidate submitting a proposal. Late and incomplete proposals WILL BE REJECTED. Furthermore, a proposal RISKS BEING REJECTED for any of the following reasons:

1. Proposal considered not fully responsive to this request for a permit application.
2. Proposal contains excess or extraneous material not called for in the request for permit application.

### **CONTACT:**

If you have any questions or would like an update on the status of your application, please contact Hazel Munoz at 760-373-7152 or by email at [ccbldg-code@Californiacity-ca.gov](mailto:ccbldg-code@Californiacity-ca.gov)





# City of HOLLISTER CALIFORNIA

## APPLICATION PROCEDURE TO OPERATE A MEDICAL CANNABIS FACILITY IN HOLLISTER

The application process for a license to operate a Medical Cannabis Facility (“MCF”) in Hollister will open on March 15, 2017. Applications will be available at the Planning Department located at City Hall. For questions regarding the application process please review the FAQ’s, at the City of Hollister’s webpage: [www.hollister.ca.gov](http://www.hollister.ca.gov). This outlines the application process, required materials, and other information necessary to operate a MCF in Hollister. To be considered, final applications **must be** submitted by 4:00 PM on April 17th 2017 at the Planning Department located at 339 5<sup>th</sup> Street, Hollister, CA 95023. This application process is adopted pursuant to Hollister Municipal Code (“HMC”) section 5.42.290(A).

### **BEFORE YOU APPLY:**

- Review the information to learn about the application process and which documents you will need.
- Review the application in its entirety to ensure that it is complete and accurate.
- Review the information regarding the Medical Cannabis Facility (“MCF”) application on the webpage: [www.hollister.ca.gov](http://www.hollister.ca.gov) which includes the following information:

- Local regulations governing Hollister MCF’s: Hollister’s Municipal Code (“HMC”) Chapter 5.42.
- Live Scan Form.
- Additional application information: Ordinance No. 1131.
- Local Zoning Ordinance Chapter 17.16
- Frequently Asked Questions

- (1) **Application Process: Evaluation and Ranking:** The selection process shall consist of the following Stages:

- Stage 1: Preliminary Determination of Eligibility (\$1,500)
- Stage 2: Evaluation
- Stage 3: Public Meeting and City Council Final Selection

*(Combined stages 2 & 3 \$5,992)*

**Total Application Fee: \$7,492.00**

For more information, see Evaluation and Selection Process below.

- (2) **Criminal History Check:** As part of Phase 1 of the Application Process, each individual applying to be a principal of the MCF (“Principal”) must apply for a Live Scan criminal history check. This process must be conducted by the City of Hollister by appointment only. Please contact Eva Foster by phone at (831)636-4330 or by email at [efoster@police.hollister.ca.us](mailto:efoster@police.hollister.ca.us) in order to schedule your appointment. Due to limited staff resources you are encouraged to schedule your appointment as early as possible in order complete your Live Scan requirement before the due date of the application. The City cannot guarantee that it will be able to accommodate applicants who do not

attempt to schedule an appointment until near the application deadline, and the City is not responsible for applicants who are unable to schedule an appointment prior to the application deadline. Please be advised that there will be a Live Scan **processing fee of \$93** per person, which must be paid at the time of the Live Scan. The Live Scan process involves submitting fingerprints to the DOJ, which will review for criminal offender record information (CORI). CORI reports will be provided to the City of Hollister for the sole purpose of determining eligibility for operating a MCF. See Hollister Municipal Code Section 5.42.290 for background check requirements. Principals who do not meet criminal history eligibility requirements will be disqualified.

- (3) **Application:** Applicants must hand deliver a complete comprehensive and signed copies of the Hollister Medical Cannabis Facility Application Form, and all attachments along with a flash drive which contains one comprehensive and signed copy of the application in a pdf format, and payment of **\$7,492**, starting on March 15, 2017 for Dispensary Operations the initial application and fee must be received by **4:00 PM on April 17, 2017**. Payment must be made by a certified check, cashier's check or money order made payable to the City of Hollister. Application Fees are **non-refundable**. A complete application will consist of the following information:

- a. The Hollister Medical Cannabis Facility Application Form;
- b. Proof of Live Scan payment for each of the Principals;
- c. Indemnification Agreement (attached); and
- d. All of the information about the MCF to be evaluated in Stages 1 - 3 which are described in the Application and Evaluation Process section below in this procedure. Any change in location will require a new Application submission.

**LATE DISPENSARY AND ANY INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED.**

**(6 ) Amendments to the Application:** Applicants will not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these procedures or authorized in writing by the City. During Stage 1, applicants will be notified if any of the Principals are ineligible and/or if their application is incomplete and will not move forward in the application process.

**EVALUATION AND SELECTION PROCESS:**

**The City Manager or Designee (along with relevant City Staff) will review and evaluate all applications.** The evaluation and selection process shall consist of the following four phases:

- **Stage 1: Determination of Eligibility and Application**
  - Hollister Business Tax License Application
  - Corporate Documentation (Articles, Bylaws/Operating Agreement, Statement of Information, Certificate in Good Standing California Tax Franchise Board, BOE Seller's Permit).
  - Each Principal must undergo a criminal history check demonstrating compliance with the eligibility requirements of HMC Section 5.42.050 for background checks.
  - Applications must be complete to be considered. Applications will be considered complete only if they include all information required for Stages 1 and 2.
  - Proposed location of business with proof of ownership or a signed and notarized statement from the Property Owner.
- **Stage 2: Ranking (1475 Points for Medical Cannabis Facilities and 1675 Points for Medical Cannabis Dispensaries \*indicate Dispensaries Only criteria)**
  - Applications will be evaluated based on the following criteria:
    - Qualifications of Principals (150 Points)
    - Business Plan (100 Points)
    - Community Benefits Plan (50 Points)



- Site and Floor Plans – (100 Points)
- Security Plan (200 Points)
- Proof of “Living Wage” – (25 Points)
- Employee Handbook – (100 Points)
- Standard Operating Procedures (100 Points)
- Disposal Procedures (50 Points)
- Inventory Control (150 Points)
- Odor Management Plan (150 Points)
- Signage Plan (25 Points)
- Policies Enforcing Chapter 5.42 of the HMC (100 Points)
- Development Agreement (200 Points)
- Preference to participate in Clinical or Academic Research (25 Points)
- \* Dispensary Procedure including Delivery Protocols (100 Points)
- \* Cash Management (100 Points)

After all the applicants from Stage 2 scores have been tabulated those applicants for cultivation, manufacturing, distribution, testing which amount to 1425 or greater and the top eight (8) applicants for dispensaries, if applicable, will move onto Stage 3 selection process.

➤ **Stage 3: Selection Committees Final Evaluation and City Council’s Final Selection**

**Stage 3 Steps to be followed:**

1. City Manager or designee (and relevant City staff) final review and evaluation.
2. City Manger presents final rankings and recommendation report to City Council.
3. City Council makes final selection.

The City reserves the right to request and obtain additional information from any candidate who submitted a proposal. The City Manager will present to the City Council the final ranking in which the City Council may award at its discretion cultivation, manufacturing, distribution and testing but only two (2) Dispensary permits pursuant to HMC Section 5.42.290. The City Council reserves the right to award a lesser number of permits, or to award no permits at all. Only those applicants on the final list will be eligible to be issued a permit from the initial permit process. The top Applicants which are being recommended by the City Manager for consideration to the City Council should be prepared to attend a City Council meeting in Hollister in order to provide a public presentation before the Mayor and City Council introducing their team and providing an overview of their proposal if requested by the City Manager.

- Please note that being awarded a MCF does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for any and all construction including electrical, plumbing, fire, planning permits or reviews, and any other permits, licenses, or reviews as may be necessary by the relevant departments or governmental entities in charge of said permits. Nor does it guarantee that the plans submitted via the MCF application process meet the standards or requirements in MCF Section 5.42.290 or any other permit requirement from other city departments or agencies. All permit awardees will still be required to apply and receive a Conditional Use Permit (CUP) with the City of Hollister for the proposed construction or occupation of their facility.

**DESCRIPTION OF EVALUATION CRITERIA:**

- **Proposed Location.** Your application must include the address and a detailed description of the proposed location. This section should also describe all sensitive uses within a one thousand (1,000) foot radius of the proposed location and should certify that the proposed location is not within six hundred (600) foot radius of a school whether it be public or private as described in HMC Section 5.42.160. The



MCF must be located in the appropriate zoning meet all of the locational requirements as in described in HMC Chapter 5.42.

- **Business Plan.** With as much detail as possible, the Business Plan should describe:
  - Description of day-to-day operations. See HMC Section
  - How the MCF will conform too local and state law.
  - Odor control plan with detailed ventilation options for mitigating noxious odors.
  - The application should describe any proposed “green” business practices relating to energy and climate, water conservation, and materials and waste management.
  - Signage
  - A schedule for beginning operation, including a narrative outlining any proposed Construction/improvements and a timeline for completion.

The Business Plan should include:

- A **budget** for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds.
- **Proof of capitalization**, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
- A **pro forma** for at least three years of operation.

**Safety and Security Plan.** For each proposed location, your application should include:

- A detailed **safety plan**. This plan should identify a Security Manager and describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place. **It should include an assessment of the facility’s fire safety by a qualified fire prevention and suppression consultant.** An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.
- A detailed **security plan**. This plan should include a description and detailed schematic of the overall facility security. It should have details on both facility and operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor procedures, 3rd party vendor security, and delivery security. In particular, applications should address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed. **The security plan shall also include an assessment of site security by a qualified security consultant(s). For all security consultants their name, contact information and business license number shall be provided. Security plans will not be made public.**
- A **floor plan and site plan** showing existing conditions. If changes are proposed as part of the project, then a proposed floor plan should also be submitted. The floor plan(s) should be accurate, dimensioned and to-scale (minimum scale of 1/4”).
- Photographs accurately depicting the entire interior and exterior and exterior of the proposed site(s), including entrance(s), including entrance(s), street frontage(s), parking, front, rear and sides of the proposed site.

**Community Benefits.** The application should appoint a Community Liaison and describe benefits that the MCF

would provide to the local community, such as employment for local residents of the City, community contributions, or economic incentives to the City.

**Enhanced Product Safety and Labeling.** The application should state how the MCF will ensure enhanced consumer safety beyond that required by HMC 5.42.190.

**Inventory Control Plan.** The application should describe the POS software the business will be using to track inventory and/or sales of medical cannabis. The applicant should provide evidence of ability to secure Worker's Comp and General liability insurance with an aggregate limit of not less than \$1,000,000.00.

**Labor & Employment.** The application should describe to what extent the MCF will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees. Specific practices that are subject to consideration include the following:

- Providing compensation to and opportunities for continuing education and training of employees/staff (applications should provide proof of the MCF policy and regulations to employees – Employee Handbook);
- Providing a “living wage” to facility staff and employees. Wage scale should be provided in writing for all levels of employment at the facility. “Living Wage” shall mean 200% above the Federal Poverty Level for a family of two.

**Local Enterprise.** The application should state the extent to which the MCF will be a locally managed enterprise whose Principals reside within Hollister and/or the County of San Benito.

**Qualifications of Principals.** The application should include information concerning any special business or professional qualifications or licenses of principals that would add to the number or quality of services that the MCF would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

### **The City's Reservation of Right's**

The City reserves the right to reject any and/or all proposals, with or without any cause or reason. The City may also, modify, postpone, or cancel the request for permit applications without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any candidate submitting a proposal. Late Medical Cannabis Dispensary Applications and/or generally incomplete Applications WILL BE REJECTED. Furthermore, a proposal RISKS BEING REJECTED for any of the following reasons:

1. Proposal considered not fully responsive to this request for a permit application.
2. Proposal contains excess or extraneous material not called for in the request for permit application.

### **CONTACT:**

If you have any questions or would like an update on the status of your application, please contact Maria C. Mendez at (831)636-4360 x12 or by email at [maria.mendez@hollister.ca.gov](mailto:maria.mendez@hollister.ca.gov).

## Hartman, Clare

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**From:** Brandon Murphy <bmur1510@gmail.com>  
**Sent:** Wednesday, October 04, 2017 1:54 PM  
**To:** Hartman, Clare  
**Subject:** MAUCRSA TYPE 12 MICROBUSINESS

Hello Ms. Hartman,

Does the City have any input on type 12 micro-businesses? Any information would be greatly appreciated and helpful.

Thanks for your time and consideration!

Brandon Murphy  
NW Premium  
206-701-4408



## Hartman, Clare

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**From:** Julie Mercer-Ingram <julie@kindlaw.net>  
**Sent:** Friday, September 22, 2017 9:23 AM  
**To:** Hartman, Clare; shannon.george@cdph.ca.gov; christina.dempsey@cdph.ca.gov  
**Cc:** Moon, Scott; Setterland, Mark; Brian Elliott; Dustin Gibbens; Benny Loya; Jolene Strange; Gallagher, Sue; Guhin, David; Trippel, Andrew  
**Subject:** Ethanol and State Regulations

Hello Clare,

Yesterday at the California Cannabis Business Conference, I spoke about ethanol use in manufacturing with Dr. Asif, Chief of the Office of Manufactured Cannabis Safety (MCSB) and staff members Shannon George and Christina Dempsey. That conversation directly impacts the evaluation of ethanol use in Santa Rosa, so I wanted to share some details.

- The state will be distinguishing extraction from post-processing.
- For post-processing ethanol use will be allowed as a Type 6/Level 1 nonvolatile license
- For extraction, ethanol use is still being evaluated
- Consideration will be given to the process and nature of the ethanol use - heat, pressure, closed loop, etc...

Although the state regulations will not be release until November, Dr. Asif, Shannon and Christina said they can speak with City of Santa Rosa staff now to help inform local policy in relation to state rules. Shannon and Christina have been included in this email, and here is their contact information:

Shannon George, Analyst  
California Department of Public Health, Office of Medical Cannabis Safety Branch  
Office: 916-440-7664  
Email: [shannon.george@cdph.ca.gov](mailto:shannon.george@cdph.ca.gov)

Christina Dempsey, Education, Training & Outreach Manager  
California Department of Public Health, Office of Medical Cannabis Safety Branch  
Email: [christina.dempsey@cdph.ca.gov](mailto:christina.dempsey@cdph.ca.gov)

Please let me know if there is any additional information that would be useful or if I can be of any assistance.

Thank you,

Julie

--  
Julie Mercer Ingram, Attorney  
Kind Law  
1011 2nd Street, #202  
Santa Rosa, CA 95404  
Mobile: (707) 800-9154

LAW OFFICES OF  
OMAR FIGUEROA

7770 HEALDSBURG AVE., SUITE A  
SEBASTOPOL, CA 95472  
TEL: (707) 829-0215

OMAR@OMARFIGUEROA.COM  
WWW.OMARFIGUEROA.COM  
FAX: (707) 861-9187

September 19, 2017

Santa Rosa Cannabis Program  
ATTN: Clare Hartman  
Santa Rosa City Hall  
100 Santa Rosa Avenue, Room 3  
Santa Rosa, CA 95404  
[chartman@srcity.org](mailto:chartman@srcity.org)

**Re: Feedback on draft ordinance and proposed timeline**

Dear Ms. Hartman,

I am writing this letter with some comments on the comprehensive cannabis policy development. I want to thank you and the other individuals involved in crafting the city's cannabis policies for your incredible efforts in this area. I am impressed with how Santa Rosa is balancing the needs of the community with the opportunity of the burgeoning cannabis industry. As you know, Santa Rosa is strategically located for this industry, which has the potential to revitalize the city's economy by creating jobs, decreasing vacancies and increasing property values—changes which have already begun to take place.

I attended the Medical Cannabis Policy Subcommittee meeting on September 12 and was glad to hear that progress is being made with the draft ordinance. However, I do have some concerns. First, the timeline that was proposed was also very long. For just medical cannabis dispensaries alone, the projected timeline had application submittal starting in March 2018, followed by completeness screening in April 2018 and a public hearing and/or lottery, which could take an additional several months, bringing us into mid-late 2018. I am curious why, when the draft ordinance is so close to completion and when there are so many examples to look at in other cities and counties, why this timeline is so protracted. I know individuals and businesses who have their application materials almost ready and are hoping to turn something in before the new year, many of whom are paying monthly rent to hold onto their buildings while the city figures this process out. The state of California will begin issuing cannabis licenses in January 2018, and according to Chief Lori Ajax of the Bureau of Cannabis Control, temporary licenses will be issued at the end of this year. Santa Rosa should try to have its deadlines match the state roll-out as much as possible, due to the dual licensing scheme imposed by state law (which does not require a local permit to be obtained first per se, but still requires conformance with local laws in order to be eligible for a state license).



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Additionally, details about the application process are still not clear. One proposal that I found particularly troublesome was the suggestion to require dispensary applicants that have proposed locations within 1000 feet of each other to face off in a lottery to decide who proceeds. I do not think that a lottery is the best way to handle a situation like this, but that a merit-based scoring system should be used to weed out applicants (no pun intended). Other jurisdictions that have used lotteries have found them to be more trouble than simply choosing the best applicant in the first place. Take the Southern California cities of Long Beach and Santa Ana as examples.<sup>1</sup> Also, by having a lottery, the city could end up with operators that are not as qualified as other operators who did not win the lottery. I recommend implementing a point-based ranking system in order to ensure that the best operators are selected using a fair and unbiased method.

Another point I wanted to make was to encourage the city to reconsider allowing delivery-only dispensaries to locate in Santa Rosa if they choose. While a former iteration of state law required that cannabis delivery operators have a brick-and-mortar storefront that was open to the public, the law regarding that has since been changed, and “delivery-only” cannabis dispensaries will be able to receive state licenses without having a storefront location that is open to the public. There are already a number of cannabis delivery services operating out of Santa Rosa, and not all of them may want (or be able to) partner with a storefront, as the city has suggested in response to this concern.

Finally, I want to ask you to reconsider the 1,000-foot overconcentration buffer. There may actually be some benefit to clustering cannabis businesses in certain parts of the city, rather than diffusing them throughout. We do this with things like car dealerships and medical plazas, and some cities in Southern California like Adelanto have started doing this with cannabis as well.<sup>2</sup>

Thank you for your time,



Lauren Mendelsohn, Esq.

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<sup>1</sup> <http://www.oregister.com/2015/06/19/raids-lawsuits-and-alleged-lottery-fixing-santa-ana-pot-shop-regulations-lead-to-chaos/>.

<sup>2</sup> <http://www.adelantoca.gov/DocumentCenter/Home/View/573>.



<https://www.googletagmanager.com/ns.html?id=GTM-TLFP4R>

NEWS > CRIME + PUBLIC SAFETY

## Raids, lawsuits and alleged lottery fixing: Santa Ana pot shop regulations lead to chaos

By [MARTIN WISCKOL](#) | [mwisckol@scng.com](mailto:mwisckol@scng.com) | Orange County Register  
June 19, 2015 at 11:05 am

0 COMMENTS

Santa Ana emerged as the first city in the county to try to rein in rogue marijuana dispensaries by regulating their operations, but the result so far is a messy chaos of police raids, lawsuits and allegations that the city's pot-shop lottery was rigged.

City voters in November approved two ballot measures regulating dispensaries: One put on the ballot by medicinal marijuana advocates and a more restrictive countermeasure advocated by the City Council. The council's proposal, Measure BB, became law because it received more votes than rival Measure CC.

But a Superior Court judge earlier this month issued a temporary injunction blocking issuance of dispensary permits. A hearing on that lawsuit scheduled for today is the next step toward determining whether the city should throw out the permits approved for 20 dispensaries and hold another lottery to determine who is allowed to operate.

That's just one aspect of the new law that seems to have gone sour, despite hopes that it would finally provide the city with a legal framework for dispensaries – and take them out from their shadowy, semi-legal status they've operated under since voters statewide approved legal medical pot 19 years ago.

"I was happy at the end of the day that one of the measures passed and it passed by a large margin" with 66 percent of the vote, said Kandice Hawes, founder and executive director of the Orange County chapter of the National Organization for the Reform of Marijuana Laws (NORML).

Hawes co-authored the losing Measure CC. And while she favored that measure, she thought Measure BB would at least accomplish the goal of legitimizing medical pot shops.

"It could be a model for other cities," she said.

Now she's not so sure.

"It's frustrating and it kind of worries me," Hawes said. "If a judge decides to throw it all out, we could be back at square one."

That's exactly what happened in Long Beach after pot shop lottery losers sued, saying the 2009 city-approved process was unfair, and the courts agreed. The city then banned dispensaries outright, and continues to battle lawsuits related to the debacle.

### lottery concerns

In Santa Ana, three losers in the Feb. 5 lottery for 20 permits have sued, asking for a lottery do-over. The suit claims the city included applicants in the lottery pool that didn't qualify because they submitted multiple applications for the same location under the same name or because the entities were legally formed after the lottery application deadline.

Thirty-four of the approximately 630 applications are listed in the lawsuit as noncompliant. But attorney Tin Kim Westen of the Rallo Law Firm, which is representing the plaintiffs, estimated there were more than 80 applications that should have been disqualified – which would have increased her clients' odds.

Robert Cortez, special assistant to the Santa Ana city manager, said the city declined comment on issues related to pending lawsuits.

That includes a separate suit filed Monday seeking to throw out Measure BB altogether. It claims that the lottery process was flawed, the law was improperly implemented and that Mayor Miguel Pulido and other unnamed city officials had financial interest in marijuana collectives seeking permits and received gifts from collectives.

Pulido, through spokesman George Urch, said he has no financial stake in collectives and that he had not received gifts or money from them. He said he was not involved with the Measure BB campaign.

None of the other six council members returned emails and phone calls for comment. Council members Sal Tinajero, Angelica Amezcua and Vincent Sarmiento signed the ballot arguments in favor of Measure BB.

The lawsuit filed Monday by members of the Sky High Holistic collective also claims that an unnamed person hired by the city solicited \$25,000 campaign contributions for Measure BB and promised "successful inclusion in the lottery."

Campaign finance disclosures show contributions from some people involved with collectives. But the lawsuit does not name who allegedly "bought" lottery spots or how the lottery was manipulated.

#### **The raid**

The lawsuit by the Sky High Holistic collective, which failed to win a lottery permit, also seeks damages for a May raid on its dispensary. The raid by Santa Ana police was highly publicized, in large measure because of video captured by one of the shop's security cameras.

The footage shows eight officers – three wearing ski masks – breaking through a door with guns drawn, ordering people to the floor and breaking security cameras. It shows one officer eating food product apparently from the shop.

Additionally, one officer refers to a dispensary collective member with an amputated leg and says, "I was about to kick her in her (expletive) nub."

The Police Department has said it is investigating officer behavior in the incident. The lawsuit says there was "excessive and unreasonable force" used, tens of thousands of dollars in damages and thousands of dollars of money and marijuana medication taken.

The raid was not a surprise to Marla James, the collective member with the amputated leg.

"We kind of expected it to be raided because all the other ones were," she said.

NORML's Hawes estimated 100 dispensaries were operating in Santa Ana without permits.

She added that 11 people were taken to jail after the raid and others, including herself, were given citations for running a dispensary without a permit.

What neither James nor Sky High's lawsuit mention is that a policy approved by the City Council in November approved a four-step process for shutting down illegal dispensaries. Arrests are to be "the last resort" after a series of other steps, including disconnection of the shops' water and electricity.

James said the dispensary's utilities weren't disconnected until after the raid.

#### **A solution**

While Santa Ana is the first Orange County city to try to regulate the dispensaries, it's unlikely to be the last. Laguna Woods actually had a law in place before Santa Ana, but the absence of available retail space has kept anyone from applying for permits.

In Costa Mesa, two proposals have qualified for the November 2016 ballot. City Councilman Jim Righeimer is well aware – and wary – of problems associated with regulation of dispensaries.

"The state should regulate this," Righeimer said. "There's too much money involved with these for a city to be handling it."

In fact, two pending bills in Sacramento call for state oversight of dispensaries.

Righeimer was adamant that a lottery is a poor way to go about selecting dispensaries – or anything else of significant value that is government regulated. He pointed to federal lotteries for wireless frequencies, which have attracted thousands of applicants whose primary interest is winning the lottery so they can immediately sell the right to the frequency.

"Everybody knows when you do a lottery, the system will get gamed," he said. He noted that Santa Ana dispensary applicants have met with him because of an interest in setting up shop in Costa Mesa.

"I know guys who bought a building in Santa Ana and literally put applications in for Suite A, B, C, D and E, because they are each different addresses," Righeimer said.

Westen, a plaintiffs' lawyer on one of the lawsuits, said that the scheme described by Righaimer – as well as having multiple individuals submit separate applications for the same address – were tactics used in the Santa Ana lottery. Because they are allowed under Measure BB, they are not targeted in the suit.

Neither of the qualified measures for Costa Mesa's ballot next year employ lotteries. The failed Measure CC would have used a first-come approach to applications. But even with a non-lottery selection system, Righaimer sees difficulties.

"The easiest single way would be to get Congress to reclassify it so Walgreens and CVS can sell it like other prescription drugs," he said.

Contact the writer: [mwisckol@ocregister.com](mailto:mwisckol@ocregister.com) Twitter: @MartinWisckol



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### Co-Survivors: 4 Ways to Support Your Loved One With Breast Cancer

By Susan G Komen



For every woman or man diagnosed with breast cancer, there's a network of supporters by their side. A supporter is...

## Martin Wisckol

Martin Wisckol has been the Register's politics writer and weekly Buzz columnist since 1998, and was given the title of political editor by a generous boss in 2011. He started his career writing about surfing and music, but has written predominantly about government and politics since 1985. He has held reporting positions in his hometown of San Diego, as well as in Detroit, Jacksonville and Miami. Along the way, he has put in extended stints in Japan, South America and Switzerland. His work has been honored by the Society of Professional Journalists, the National Headliner Awards, the California Newspaper Publishers Association and the Florida Press Club, among others.

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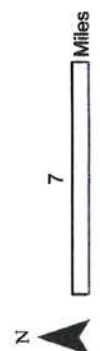
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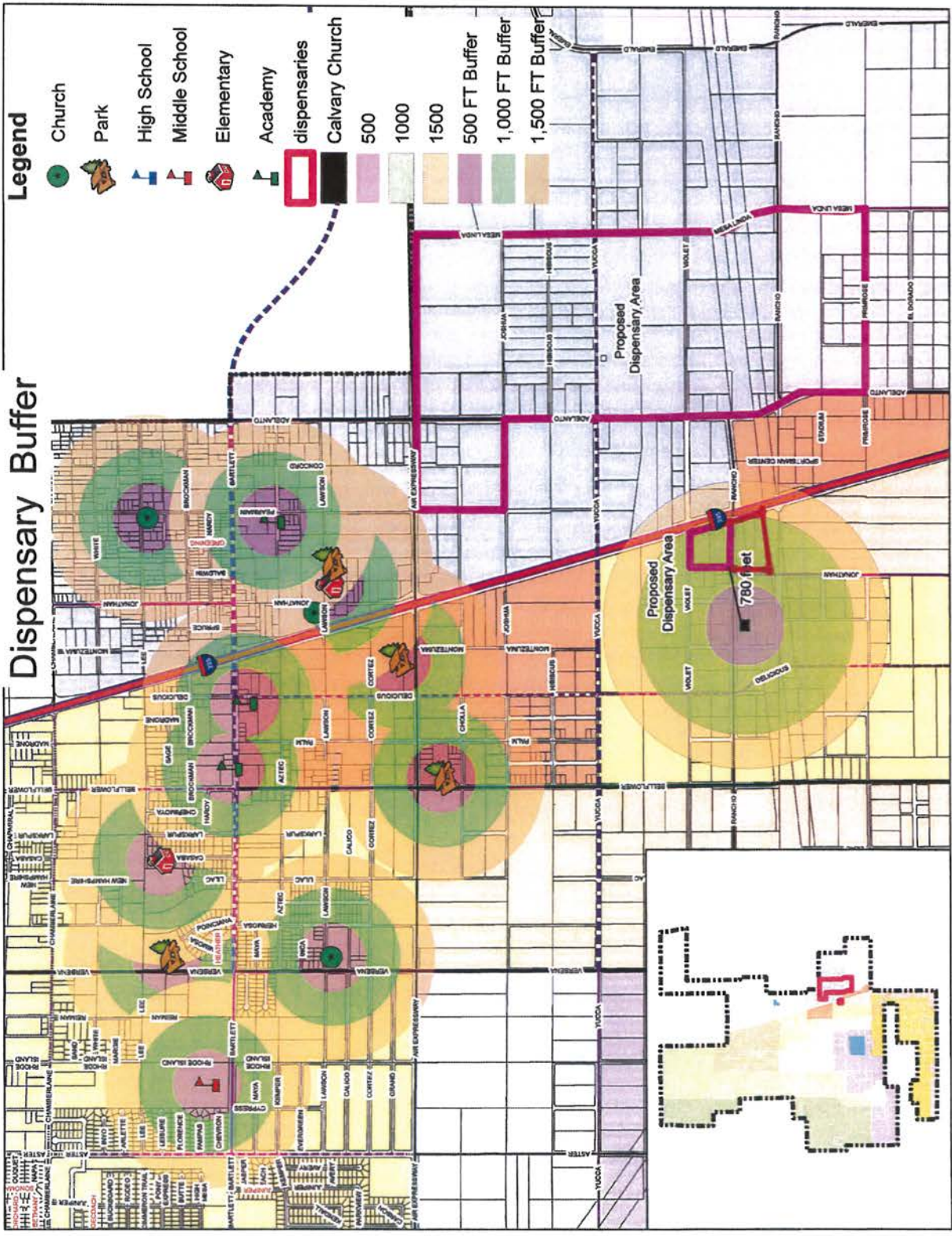
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- Calvary Church
- 500
- 1000
- 1500
- Airport Development District (ADD)
- Airport Park (AP)
- Business Park (BP)
- Commercial (C)
- Desert Living (DL-5) (1 du/5 ac)
- Desert Living (DL-9) (1 du/9 ac)
- Desert Living (DL-2.5) (1 du/2.5 ac)
- Light Manufacturing (LM)
- Manufacturing/Industrial (MI)
- Mixed Use (MU) (12 - 18 du/ac)
- Open Space (OS)
- Public Utilities (PU)
- Medium Density Residential (R-M12)
- Single Family Residential (R-S1)
- Single Family Residential (R-S5)
- Single Family Residential (R-1)
- High Density Residential (R3-30)
- Medium Density Residential (R3-8)

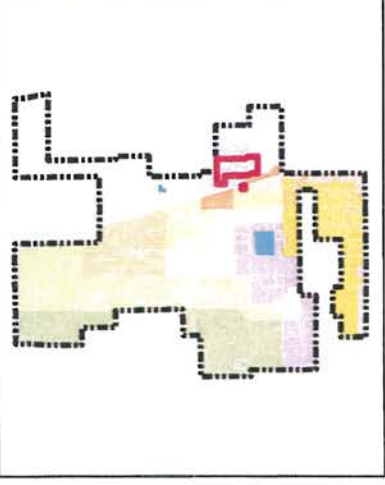


City of Adelanto  
 Zone Change  
 Adelanto Geographic Information System  
 11600 Air Expressway  
 Adelanto, CA 92301  
 Created by: Erick Saavedra  
 Date: 05/09/2017



### Legend

- Church
- Park
- High School
- Middle School
- Elementary
- Academy
- dispensaries
- Calvary Church
- 500
- 1000
- 1500
- 500 FT Buffer
- 1,000 FT Buffer
- 1,500 FT Buffer



**KIND LAW**  
**1011 2nd Street, #202**  
**Santa Rosa, CA 95404**

September 18, 2017

City of Santa Rosa  
Attn: Clare Hartman  
Planning & Economic Development Department  
100 Santa Rosa Avenue, Room 3  
Santa Rosa, CA 95404

*Via email: [chartman@srcity.org](mailto:chartman@srcity.org)*

RE: Piner Place Zoning Clearance and Use of Ethanol

Dear Ms. Hartman:

This letter regards the Zoning Clearance issued for 965 Piner Place and the use of ethanol as a nonvolatile solvent. Thank you for taking the time to review this letter and considering our position that ethanol can be utilized under a Level 1 nonvolatile permit and license.

In November 2016, the City of Santa Rosa issued Piner Place, LLC a Zoning Clearance for Type 6 nonvolatile medical cannabis manufacturing with the use of ethanol for extraction and refinement. At the time, cannabis manufacturing was governed by AB 2679, the laws known as MCRSA. The law also defined volatile solvent under section 11632.3(d)(3) of the Health and Safety as “volatile organic compounds, including (1) explosive gases, such as Butane, Xylene, Styrene, Gasoline, Kerosene, O<sub>2</sub> or H<sub>2</sub>; and (2) dangerous poisons, toxins, or carcinogens, such as Methanol, Iso-propyl Alcohol, Methylene Chloride, Acetone, Benzene, Toluene, and Trichloroethylene.” Even under the laws existing at that time, the City of Santa Rosa’s Planning, Fire and Building departments reasoned that ethanol could be allowable under a Type 6 nonvolatile permit so long as it is stored and used properly. The same reasoning remains valid today, even with the changes in law.

In June 2017, the Governor signed SB 94, which merged the legal framework for licensing of medical and adult use of cannabis. Manufacturing licenses are now categorized as Level 1 for nonvolatile operations and Level 2 for operations utilizing volatile solvents.



Additionally, SB 94 refers to the Health and Safety Code Section 11632.3(d)(3)<sup>1</sup> which has also been updated to define volatile solvent as “a solvent that is or produces a flammable gas or vapor that, **when present in the air in sufficient quantities**, will create explosive or ignitable mixtures” (emphasis added). While the state has yet to issue regulations for either medical or adult use, the change in definition of volatile solvent is significant for a number of reasons.

First, the state abandoned a definition that was based on a list of solvents and shifted to a definition based on flammability. This change better matches with other relevant fire and safety codes, which allows manufacturers more flexibility for safety during storage and use of solvents. The National Fire Protection Association (NFPA) sets codes related to fire safety and use of hazardous or toxic solvents. Under this code, the flammability is not the only governing issue; rather, the onsite controls and systems are of major concern. For example, NFPA Code Section 38.6.3 concerns the use of flammable and combustible liquid extraction for marijuana manufacturing and states that “Extraction and post oil processing operations, including dispensing of flammable liquids between containers, shall be performed in one of the following locations: (1) a chemical fume hood in accordance with Chapter 7 of NFPA 45 (2) an approved exhaust system installed in accordance with NFPA 91 or the mechanical code.” The code allows for the appropriate systems to dictate the use of flammable or volatile solvents for cannabis manufacturing. By reducing the risk through appropriate controls, the use of ethanol can be done in a nonvolatile manner.

Second, the updated definition of volatile solvent in the Health and Safety Code allows regulators flexibility in determining the safety of storage and use for each proposed cannabis project. The key part of the definition of volatile solvent is “when present in the air in sufficient quantities.” Again, indicating the use and storage of ethanol can be used as a nonvolatile solvent. In the Piner Place project, ethanol will not be present in the air in sufficient quantities to trigger the definition of volatile solvent. The project will use a closed loop system for extraction and will install ventilation systems equipped with alarms as well as exhaust hoods. For example, the project will satisfy Class 1, Division 1 electrical standards and the ventilation system will exceed NFPA 30 requirements. Additionally, the storage of ethanol will ensure vapors will not be in the air in sufficient quantities to cause volatility. With sophisticated systems, controls and protocols

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<sup>1</sup> Health and Safety Code Section 11632.3(d)(3) no longer exists. However, the definition for volatile solvent is found at 11632.3(b)(3).



this project is a prime example of how ethanol can be used pursuant to a Level 1/Type 6 nonvolatile permit and license.

Even if state regulations are contrary, the City of Santa Rosa has the ability to adopt our position and move forward with the use of ethanol as a Level 1 local permit. With change to state law, local jurisdictions continue to maintain a high level of control over permitting the use of cannabis operations in their communities. Under SB 94, the localities have wide latitude to adopt, implement and permit commercial cannabis operations. In Section 26055(d) of the Business and Professions Code, the state is prohibited from approving a cannabis license for an operation that violates “the provisions of any local ordinance...” Additionally, the state must deny a license if local jurisdiction provides notification that the applicant is in violation of a local ordinance. This gives the City of Santa Rosa flexibility to regulate local cannabis activities.

As SB 94 allows for local authorization of the application, an operation could have Level 1 permit with ethanol approved. The applicant would then apply for a limited Level 2, restricted to only the use of ethanol. To date, this is the interpretation that Sonoma County as adopted for the use of ethanol under a Type 6/Level 1 permit. Importantly here, if the Piner Place project is discovered to be misusing ethanol as permitted, the City of Santa Rosa could notify the state and the license could be revoked. Because the law requires both local authorization and state licenses, the project would be forced to cease operations under these circumstances.

While we believe that an alternative path to allowing ethanol has been presented, in the event the City of Santa adopts a different interpretation, we urge the City to continue to dialog with us about options for proceeding with this project.

Please let me know if you have any questions or could use additional information about the issues presented. We look forward to a conversation about this project in the near future.

Sincerely,

Julie Mercer-Ingram

Cc: David Guhin, Andrew Trippel, Mark Sutterland, Scott Moon, and Sue Gallagher

## Hartman, Clare

---

**From:** Hartman, Clare  
**Sent:** Tuesday, September 19, 2017 8:16 AM  
**To:** Hartman, Clare  
**Subject:** FW: Cannabis Labor Language

Sent from my iPhone

Begin forwarded message:

**From:** "Rogers, Chris" <[CRogers@srcity.org](mailto:CRogers@srcity.org)>  
**Date:** September 18, 2017 at 8:20:55 PM PDT  
**To:** "Guhin, David" <[dguhin@srcity.org](mailto:dguhin@srcity.org)>  
**Subject:** Fwd: Cannabis Labor Language

---

Chris Rogers  
Council Member  
City of Santa Rosa  
(707) 387-0015  
[CRogers@SRCity.org](mailto:CRogers@SRCity.org)

Begin forwarded message:

**From:** "Trish Blinstrub (Suzuki)" <[tsuzuki@ibt856.org](mailto:tsuzuki@ibt856.org)>  
**Date:** September 6, 2017 at 11:43:30 AM PDT  
**To:** "[chrisrogers@outlook.com](mailto:chrisrogers@outlook.com)" <[chrisrogers@outlook.com](mailto:chrisrogers@outlook.com)>, "[crogers@srcity.org](mailto:crogers@srcity.org)" <[crogers@srcity.org](mailto:crogers@srcity.org)>  
**Subject:** Cannabis Labor Language

Hi Chris,

I also sent this to Ernesto.

I know you guys have already drafted a lot of your ordinance but if you can look at adding this into it too. During this current legislative session in Sacramento our lobbyist for the State worked in conjunction with many of the different cannabis groups and the Governor to help with the regulation tailer bill for cannabis. We'd like to ensure that as you guys look at cannabis that this language from the State is included in any ordinance that you write so that there is no confusion on what the State and Local guidelines are for permitting. It is state law to have the labor neutrality agreement if there are at least 20 employees.

**(5) (A) For an applicant with 20 or more employees, provide a statement that the applicant will enter into, or demonstrate that it has already entered into, and abided by the terms of a labor peace agreement.**

Of course we'd always welcome for this number threshold to be less than 20 as this is just a base from the State.

This is the trailer bill in it's entirety our language is on page 39 ([http://www.dof.ca.gov/Budget/Trailer\\_Bill\\_Language/documents/200CannabisRegulation.pdf](http://www.dof.ca.gov/Budget/Trailer_Bill_Language/documents/200CannabisRegulation.pdf))

To encourage the applicants to get this done beforehand we'd like to see something that says they'd need to that they have an agreement in place with the respected union (there are two unions who are organizing cannabis) presented at the time they apply for the permit. The language can say something along the lines per state law please show proof of labor neutrality agreement at the time of applying for a permit with the City of Santa Rosa.

The union can provide a secondary watch dog on these companies for safety reasons as we negotiate in our contracts not only wages, benefits, etc., but working conditions that ensure the workers are in a safe environment.

Also, if there is going to be any advisory committee we ask that labor has a seat at the committee so that voice of the worker is not over looked during this process.

If you have any questions, or would like to discuss further, please feel free to give me a call!

Thanks!

Trish

**Tricia Suzuki Blinstrub**

Political Director

Teamsters Local Union No. 856

[Teamsters856.org](http://Teamsters856.org)



September 12, 2017

City of Santa Rosa

Medical Cannabis Policy Subcommittee  
Santa Rosa City Hall  
100 Santa Rosa Avenue  
Santa Rosa, CA 95404

SEP 12 2017

Planning & Economic  
Development Department

Dear Medical Cannabis Policy Subcommittee Members and Staff,

Through your diligence, the City has created a set of draft local policies that thoroughly address the public health, safety, and environmental issues associated with commercial cannabis activity – regardless if the cannabis product finds its way to the medical or the recreational market.

Whether intentional or not, the City's Subcommittee has already substantively addressed commercial cannabis activity as it relates to Adult Use in the following manner:

1. At your first Subcommittee meeting on January 11, 2016, as we were all just starting to grapple with this subject, your Agenda attachment entitled "Medical Marijuana in California: An Analysis of the 2015 Legislation" was attached for everyone's edification. It stated that although the new legislation is directed at medical marijuana, it establishes a framework that includes components that may serve as a foundation for a potential voter initiative to legalize marijuana use generally. The language in the bill was suggestive of this indicated purpose, as it unambiguously made reference to "commercial cannabis activity" as opposed to solely referencing or focusing on medical cannabis activity.
2. At your August 25, 2016 Subcommittee meeting, there was a lengthy discussion on Adult Use and Medical Use integration. The presentation explicitly examined:
  - a. Time, place and manner of advertising, specifically addressing differences between medical use restrictions and adult use restrictions should AUMA (Prop 64) be adopted;
  - b. concentration, setback differences, prohibitions on monopolies, and competition as it relates to adult use; and
  - c. the question was asked, "If the City of Santa Rosa chooses to establish a regulatory framework that complements MCRSA for medical cannabis, should the City also prepare a regulatory framework that complements AUMA for recreation cannabis?".
3. That question was answered at the next Subcommittee meeting of September 15, 2016 with the Subcommittee deciding to support coherence with MCRSA and AUMA by saying, "Yes, given timing, but consider separate treatment of certain uses,

namely dispensaries...the City can benefit from efficiencies of a dual regulatory structure where appropriate." The same discussion continued at the next meeting of September 29, 2016.

4. On November 8, 2016, Proposition 64, also referred to as AUMA, passed with the approval of 57.13% of all Californians and 59.1% of Sonoma County voters. An update on the election results was provided at the November 18, 2016 and the January 26, 2017 Subcommittee meetings.
5. Additional discussion on AUMA occurred at meetings on April 17, 2017 and May 25, 2017. By the meeting on July 27, 2017, AUMA issues have been specifically addressed and made their way into the City regulations/proposed regulations – including:
  - a. Personal Adult Use Cultivation
  - b. Taxation of Adult Use Cannabis

In conclusion, we are asking that the Subcommittee include all ~~non~~ commercial nonmedical cannabis uses in the City through the Comprehensive Cannabis Ordinance at this time.

Sincerely,

Brian Marbleston

Nine Point Strategies

⌘

CCIA - Sonoma Chapter



September 12, 2017

City of Santa Rosa  
Medical Cannabis Policy Subcommittee  
City Hall, Council Chamber  
100 Santa Rosa Ave  
Santa Rosa, CA

Medical Cannabis Policy Subcommittee Members,

RE: Special Meeting Agenda September 12, 2017;  
Agenda Item 3.2 Discussion and Review of Feedback Regarding Adult Use

The purpose of this correspondence is to urge the City of Santa Rosa to adopt a cannabis adult use policy before January 1, 2018. We urge the subcommittee not to differentiate between medical and adult use regulations.

I am the founder of HERBL Distribution Solutions, a cannabis distribution company that is currently applying for a permit to operate in the City. Our mission statement is "to make partnering with us exceptional by providing outstanding service and uncompromising quality assurance."

My background is in natural foods distribution as the President of United National Foods Inc, the largest natural/organic food distributor in the US, for over 10 years. I have entered the cannabis industry because I see many parallels with the natural foods industry. I have spent the last two years building HERBL, meeting with industry leaders and researching and preparing for the new regulatory framework. Our foremost priority is to secure a locally permitted facility to headquarter our operations before January 1, 2018. After investigating a variety of local jurisdictions throughout the State, we have decided to base our company in Santa Rosa, due to the City's reasonable tax rate, zoning ordinance, and overall business friendly environment. The City of Santa Rosa has emerged as a model jurisdiction in cannabis policy and should be commended for its forward looking and strategic regulatory framework for this new industry.

However, we are highly concerned that the City may not adopt a cannabis adult use policy before the end of the year. It is imperative to our success and business model to secure an adult use license before January 1, 2018. Without a local adult use license in 2017, we will be precluded from:

1. Applying for an adult use State license on January 1, 2018;
2. Continuing to operate while our adult use State license is pending;
3. Providing services to other licensed adult use businesses; and
4. Meeting increasing adult use consumer demands.



## **Applying for an adult use State license on January 1, 2018**

The State will accept applications on January 1, 2018. However, documentation of local approval is required to apply for a State license. Absent a local, adult use permit, HERBL will be precluded from applying for a State license, when applications are made available. Securing both timely local and State approvals is necessary to fulfil our commitment to being a compliant operator, and is fundamental to our success, and business model.

## **Continuing to operate while our State license is pending**

It is critical that local adult use permitting occurs before the end of this year. Draft State regulations require commercial cannabis operators to be operational by January 2, 2018, or else they have to wait until they receive a State license to operate. This is problematic because the State may take many months to approve State applications. There is already a demand for adult use licensed distribution services, and this will only increase as we approach 2018.

### ***§ 5018. Requirements for Continued Operation While Application Pending***

*All applicants that were in operation prior to January 2, 2018, may continue to operate while their application is pending if a completed application is received by the bureau no later than 5:00 p.m. Pacific Time on July 2, 2018, and the continuing operations are the same commercial cannabis activity as the license type for which the applicant is applying. If the application for licensure is denied, the applicant shall cease all commercial cannabis business operations until a license is obtained.*

## **Providing services to other licensed adult use businesses**

HERBL may struggle be a successful and profitable business without the ability to serve adult use businesses. In other words, if HERBL only has a local medical permit, we cannot provide services to other adult use cultivators, manufacturers or retail outlets, as an example. Since the transportation license fell out in SB 94 (Budget Trailer), a distribution license is needed to transport product between licensees. Furthermore, distribution is tasked with testing, packaging and labeling quality control and assurance. In other words, licensed distributors are a vital piece of the new supply chain, and are critical to getting product to market. The supply chain will not easily make distinctions between “medical” and “adult use” until retail.

## **Meeting increasing adult use consumer demands**

Adult use consumption is currently legal. There is an increasing demand for tested and compliant adult use cannabis, which will only increase as adult use commercial businesses are permitted in 2018. The medical market is anticipated to be eclipsed by the growth of the adult use market – estimated at multi-billion dollars – as we have seen in Colorado, Washington and Oregon. It is critical that local businesses have the flexibility to meet consumer demands. Medical businesses will struggle to be profitable without an adult use license.

Lastly, we believe that the City will not be able to sustain long-term investment from the cannabis industry without timely adoption of an adult use policy. The associated revenue opportunities will be significantly less if there is no adult use pathway. Limiting the cannabis policy to medical – even in the short term – will limit the attractiveness of the City for operators, as they will be limited to participating in the medical market, during a critical time to become established as an adult use business. Cannabis industry leaders are eager for opportunities to secure adult use licenses now.



It is also important to note that there is currently pending clean-up State legislation to clarify the allowance of co-location of medical and adult use licenses. This is because the supply chain is not deterministic as to whether the product is "adult use" or "medical," except at point of sale.

**Recommendations**

We strongly encourage that the Cannabis Subcommittee make a recommendation to the full City Council to direct staff to return with modifications to incorporate adult use into the draft medical comprehensive ordinance for adoption before the end of 2017.

In conclusion, we are excited to operate in the City of Santa Rosa and urge your committee to take swift action to support our early success and entrance into the market.

Thank you for your time and consideration,

Michael Beaudry

A handwritten signature in cursive script that reads "Michael Beaudry".

CEO, HERBL Inc.

CC:

Clare Hartman, Deputy Director Planning  
David Guhin, Director of Planning and Economic Development

## Hartman, Clare

---

**From:** BGOC1 <bgoc1@comcast.net>  
**Sent:** Monday, September 11, 2017 2:26 PM  
**To:** Trippel, Andrew; Guhin, David; Hartman, Clare  
**Subject:** City of Santa Rosa Cannabis Program

David, Clare & Andrew,

This is Steve Bates writing... I've run across something while building the Ravello Estates subdivision on Guerneville Road which I am sure you are not aware of, and which has put Santa Rosa in the cross-hairs of financial firms attempting to do business here.

There is an enormous illegal pot grow on the property adjacent to and east of my firm's subdivision. We have been working with Becky Hill at Code Enforcement, but due to the fact that the whole cannabis program is brand new, the process of enforcement is exploratory, and not too sure-footed. I will keep you posted on that.

But for now you need to know, that my financial lender has ceased funding of my project construction loan until all of the illegal cannabis being grown (\*above the legal amount for personal recreational use without a grow permit) around the subdivision is removed. They are funding other projects all over Northern and Southern California, Arizona and Texas, and have never run across an issue like this. Their interest is now non-existent in continuing to fund construction projects in the City of Santa Rosa at this point.

I think it's also important for you to know that the Fund doing my construction loan, is one-billion dollar fund which was formed exclusively for residential construction. If they decide to continue doing business in Santa Rosa, this Fund could obviously help alleviate the housing crisis we are suffering from.

This is a direct correlation of how the present cannabis program policies are having a negative effect on the supply of housing in Santa Rosa.

This is also a specific request that the situation on my firm's property line be remedied immediately. The fourteen day waiting period between initial inspection of the violations and the deadline for compliance expires on Tuesday, September 12th. We have not been successful in ascertaining the procedure for punishment if the owner fails to comply or remedy the violations. We hope that the fines or penalties are steep, and quick, because until the excess plants are removed, our firm does not have a funded construction loan.

I am available for further discussion on this matter and welcome your reply.

Sincerely,  
Steve Bates, Manager  
Ravello Investors, LLC  
(707) 568-3500

bgoc1@comcast.net

-->





(707) 583-1808  
info@cacannabisindustrysc.org  
www.cacannabisindustrysc.org

August 31, 2017

Medical Cannabis Policy Subcommittee Santa Rosa  
City Hall  
100 Santa Rosa Ave Santa Rosa CA  
94954

*City of Santa Rosa*

*SEP 01 2017*

*Planning & Economic  
Development Department*

Dear City of Santa Rosa Medical Cannabis Policy Subcommittee Members,

On behalf of the membership of the Sonoma County Chapter of the California Cannabis Industry Association (CCIA-SC), I am writing you to discuss our recommendations to the City with regards to the 1,000 foot setback requirement between cannabis retail locations that has been proposed for Section 20-46.080 of the Santa Rosa City Code by the City's draft cannabis regulations. With limited areas properly zoned for cannabis retail activity, there is no doubt that competition for retail location approval will be fierce, and the City will receive many applications that conflict with each other due to the 1,000 foot setback required between retailers. This puts the burden of deciding which businesses win approval when conflicting applications arise on the City, with no clear method of making the decision justly. We propose to the City that the best solution to this predicament is allowing the market itself dictate the concentration of cannabis retail locations by removing the setback requirements between retailers entirely.

The inevitability of retail businesses competing for approval of conflicting locations under the 1,000 foot setback rule puts the City in a precarious position. What will the deciding factors be for a successful application? How will the City justify their decisions? The backlash from applicants who are unsuccessful simply because another retailer within 1,000 feet was approved first will prove a major headache for the City. By eliminating the setback between retailers, the City can avoid the issue all together. The City has already created a number of impediments to adequately discourage an over concentration of cannabis retailers by limiting retailers to specific commercial zones; and the availability of real estate within these zones further limits what locations are available to cannabis retailers. Available properties are even further restricted by the 600 foot setbacks from "schools." The addition of 1,000 foot setbacks between retailers makes a difficult situation even more problematic for retail business.

We suggest to the city that the best solution is to simply eliminate the 1,000 ft setback between retailers and allow the free market to dictate where cannabis retail business will thrive. It is common to see geographical clustering of similar businesses in other industries. A few common examples include wine tasting rooms, bars and nightclubs, doctors and ancillary medical service providers, and the automotive sales and repair industries. There is no good reason cannabis retail should be any different. Each retailer creates their own unique business that appeals to different segments of the consumer population and offer different varieties of cannabis and different brands of cannabis products. Variety is what the market demands. Two retailers could be next door to each other and carry an entirely different inventory of product than their neighbor, or one could be appealing to elderly segment of the market, while the other is designed to attract the millennial consumer segment. That is the nature of business, and in time the consumer market will naturally dictate which businesses survive and what locations are successful.

It is our hope that the Subcommittee will take into consideration this argument for the removal of the 1,000 foot setback between cannabis retailers. If you have any questions or would like to discuss this matter further, please do not hesitate to contact me at (707) 799-7366.

Sincerely,

A handwritten signature in cursive script that reads "Terry Darcy".

Terry A. Darcy, Chairman,  
California Cannabis Industry Association - Sonoma County





(707) 583-1808

info@cacannabisindustrysc.org  
www.cacannabisindustrysc.org

September 1, 2017

Medical Cannabis Policy Subcommittee  
Santa Rosa City Hall  
100 Santa Rosa Ave  
Santa Rosa CA 95404

City of Santa Rosa

SEP 01 2017

Planning & Economic  
Development Department

Dear City of Santa Rosa Medical Cannabis Policy Subcommittee Members,

On behalf of the membership of the Sonoma County Chapter of the California Cannabis Industry Association (CCIA-SC), I am writing you to discuss concerns we have with Section 1.C., in which the City proposes "to prohibit commercial nonmedical cannabis uses in the City at this time." We believe that banning all nonmedical commercial uses in the City across-the-board is an unnecessary overstep that will dramatically hurt local business and limit tax revenue for the City. We recognize the separate but parallel track for retailers, but the comprehensive regulations for the city should not restrict the ability of local cultivators, manufacturers and distributors to obtain state licenses by disallowing adult use commercial activities. The regulatory trend at the state level is to merge adult use and medicinal<sup>1</sup> use cannabis regulation, and similarly, we suggest that the City allow adult use businesses within the supply chain to operate alongside medicinal use businesses, starting in 2018, to maximize the potential for cannabis businesses and the City alike.

We fully recognize what a complex undertaking developing regulations for medicinal cannabis has been, and the amount of time, effort, and resources it has required to focus on the medicinal market exclusively. The last minute addition of adult use by the passing of Prop 64 last November has put additional strain on both state and local officials and staff. However, many commercial businesses within the cannabis supply chain want to participate in both the medicinal and adult use markets to enhance profitability, which in turn benefits the local community through tax revenue and job creation.

The City cannot ignore that the people of California have voted in favor of adult use, and it is projected to exceed medicinal use over the next couple years. According to a 2016 report by New Frontier and Arcview Market Research, the adult use market in California is projected to be worth \$3.92 billion/year by 2020, and comprise over 60% of the total legal cannabis market.<sup>2</sup> Banning all adult use businesses from operating within Santa Rosa is unnecessarily restrictive. By not allowing adult use cannabis commercial activities in Santa Rosa, the City is extinguishing the ability of businesses to obtain state licenses and remain competitive in the California market. Santa Rosa is the gateway to the Emerald Triangle, and placing adult use licensing restrictions on supply chain cannabis businesses here will cripple their ability to fully participate in the California marketplace and will devastate the local industry.

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<sup>1</sup> The recent state regulatory language of the cannabis trailer bill SB 94 refers to "medicinal" cannabis, while the Santa Rosa City draft cannabis ordinance refers to "medical" cannabis. By using the term "medicinal" we intend to apply the same definition as "medical."

<sup>2</sup> 2016 Legal Cannabis Market: California State Profile. *New Frontier and Arcview Market Research*. 2016.



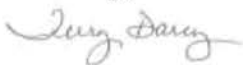
By limiting the permissible supply chain businesses allowed to operate in Santa Rosa to just medicinal license types, the City is negatively impacting local business, the community, and the City itself. Multiple supply chain businesses have already invested millions of dollars in Santa Rosa setting up their operations; and taking away the option of participating in the adult use market significantly deflates their potential for a profitable share of the California market. This ban on adult use businesses will also discourage potential new businesses from choosing Santa Rosa as the location for their operations because options are limited. The legal cannabis industry is one of the top sources of new jobs throughout the country, and our own local community is a shining example of this trend. Postponing adult use business at the supply chain level will only hinder the amount of job growth and the positive economic effects associated with it. The City is also limiting its own tax revenue potential by restricting businesses to medicinal license types only.

With the passing of SB 94 and its signing in to law by Governor Brown, there is now a state guideline for bringing medicinal and adult use regulation together. Licensing requirements and standards will be identical between adult use and medicinal use businesses; though premises and operations must remain separate. It seems logical that the City should adopt an analogous approach to their own regulations of these two markets, and take full advantage of economic benefits created by allowing a dual market supply chain to operate. This could be a major win-win for the City and cannabis businesses alike, and the solution is relatively simple.

We hope the Subcommittee can see why local cannabis businesses object to being limited to medicinal use only and can recognize the long term adverse impact this decision could have on these businesses as well as the City itself and its inhabitants. Sonoma County, and Santa Rosa is already a leader in the cannabis industry within the state. Let's not lose that momentum by removing ourselves from more than half of the future market.

If you have any questions or would like to discuss this matter further, please do not hesitate to contact me at (707) 799-7366 or [terrydarcy1@gmail.com](mailto:terrydarcy1@gmail.com).

Sincerely,



Terry Darcy  
President  
California Cannabis Industry Association – Sonoma County

## Hartman, Clare

---

**From:** Trippel, Andrew  
**Sent:** Tuesday, September 05, 2017 3:53 PM  
**To:** Hartman, Clare  
**Subject:** FW: Working Copy- Loya/Gibbens (Type 6 manufacturing with ethanol @ 1626 Piner)  
**Attachments:** Letter from FESC dtd 09.05.17.pdf

**Importance:** High

Hi Clare,

Dan Beck just provided me with a copy of this letter from Brian Elliott at FESC who argues that SB94 amending Sect. 26055 (2C) of the Business and Professions Code is applicable in that "A local jurisdiction may notify the licensing authority that the applicant is in compliance with all applicable local ordinances and regulations. In this instance, the licensing authority may proceed with the licensing process" because Santa Rosa Fire correctly applied AB2679 to the determination of Type 6 with ethanol use at 1626 Piner.

I told Dan I would share it with you.

Andrew

### Andrew Trippel | City Planner

Planning & Economic Development | 100 Santa Rosa Ave Rm 3 | Santa Rosa, CA 95404  
Tel. (707) 543-3223 | Fax (707) 543-3269 | atrippel@srcity.org



---

**From:** Dan Beck [mailto:danbeck@becklaw.net]  
**Sent:** Tuesday, September 05, 2017 2:17 PM  
**To:** Trippel, Andrew <atrippel@srcity.org>  
**Cc:** Dustin Gibbens <drgibbens@me.com>; fesc@comcast.com  
**Subject:** FW: Working Copy- Loya/Gibbens

Andrew, a memorandum from Brian Elliot that can be forwarded to the City Attorney's office in conjunction with this issue. Dan

**beck** | **law** PC

Daniel B. Beck Esq., Attorney | **Beck Law P.C.** | Attorneys at Law  
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[www.cannacodecompliance.com](http://www.cannacodecompliance.com)

September 5, 2017

Dustin,

Thanks for bringing to our attention that the City of Santa Rosa is wanting to modify your zoning permit approval, removing Ethanol use from your Type 6 licensing. We do not understand why this request would be made, you and your business partners based your building purchase, design of infrastructure and full upgrade to the building based on your ministerial approval by the Planning department that included the use of Ethanol. Furthermore, the Santa Rosa Fire Department is appropriately using AB2679 as their guidance document that allows for the use of Ethanol with Type 6 licensing. The City of Santa Rosa comprehensive ordinance will include Type 7 licensing, but irrespective of the local adoption of Type 7 licensing, SB94 allows the local authority tremendous latitude in approving use based on local regulations. Your zoning approval was considered by all departments based on AB2679 and that remains the basis for your approval.

You have a right, in our opinion, to continue your build out of your site based on the conditions within your zoning approval. Your architectural design team has responded to over 140 third party plan check comments. This project has received extraordinary scrutiny from both the City Building and Fire Departments. I highly recommend your contact your legal team that wrote the original zoning approval language.

**I have included some language from SB94 that supports my rebuttal.**

SEC. 41. Section 26055 of the Business and Professions Code is amended to read:

26055. (a) Licensing authorities may issue state licenses only to qualified applicants.

(b) Revocation of a state license issued under this division shall terminate the



ability of the licensee to operate pursuant to that license within California until a new license is obtained.

(c) A licensee shall not change or alter the premises in a manner which materially or substantially alters the premises, the usage of the premises, or the mode or character of business operation conducted from the premises, from the plan contained in the diagram on file with the application, unless and until written approval by the licensing authority has been obtained. For purposes of this section, material or substantial physical changes of the premises, or in the usage of the premises, shall include, but not be limited to, a substantial increase or decrease in the total area of the licensed premises previously diagrammed, or any other physical modification resulting in substantial change in the mode or character of business operation.

d) Licensing authorities shall not approve an application for a state license under this division if approval of the state license will violate the provisions of any local ordinance or regulation adopted in accordance with Section 26200.

(e) An applicant may voluntarily provide proof of a license, permit, or other authorization from the local jurisdiction verifying that the applicant is in compliance with the local jurisdiction.

(f) (1) A local jurisdiction shall provide to the bureau a copy of any ordinance or regulation related to commercial cannabis activity and the name and contact information for the person who will serve as the contact for state licensing authorities regarding commercial cannabis activity within the jurisdiction. If a local jurisdiction does not provide a contact person, the bureau shall assume that the clerk of the legislative body of the local jurisdiction is the contact person.

(2) Whenever there is a change in a local ordinance or regulation adopted pursuant to Section 26200 or a change in the contact person for the jurisdiction, the local jurisdiction shall provide that information to the bureau.

(3) The bureau shall share the information required by this subdivision with the other licensing authorities.

(g) (1) The licensing authority shall deny an application for a license under this division for a commercial cannabis activity that the local jurisdiction has notified the bureau is prohibited in accordance with subdivision (f). The licensing authority shall notify the contact person for the local jurisdiction of

each application denied due to the local jurisdictions indication that the commercial cannabis activity for which a license is sought is prohibited by a local ordinance or regulation.

(2) Prior to issuing a state license under this division for any commercial cannabis activity:

(A) The licensing authority shall notify the contact person for the local jurisdiction of the receipt of an application for commercial cannabis activity within their jurisdiction.

(B) A local jurisdiction may notify the licensing authority that the applicant is not in compliance with a local ordinance or regulation. In this instance, the licensing authority shall deny the application.

(C) A local jurisdiction may notify the licensing authority that the applicant is in compliance with all applicable local ordinances and regulations. In this instance, the licensing authority may proceed with the licensing process.

(D) If the local jurisdiction does not provide notification of compliance or noncompliance with applicable local ordinances or regulations, or otherwise does not provide notification indicating that the completion of the local permitting process is still pending, within 60 business days of receiving the inquiry from a licensing authority submitted pursuant to subparagraph (A), the licensing authority shall make a rebuttable presumption that the applicant is in compliance with all local ordinances and regulations adopted in accordance with Section 26200, except as provided in subparagraphs (E) and (F).

E) At any time after expiration of the 60-business-day period set forth in subparagraph (D), the local jurisdiction may provide written notification to the licensing authority that the applicant or licensee is not in compliance with a local ordinance or regulation adopted in accordance with Section 26200. Upon receiving this notification, the licensing authority shall not presume that the applicant or licensee has complied with all local ordinances and regulations adopted in accordance with Section 26200, and may commence disciplinary action in accordance with Chapter 3 (commencing with Section 26030). If the licensing authority does not take action against the licensee before the time of the renewal of the license, the license shall not be renewed until and unless the local jurisdiction notifies the licensing authority that the licensee is once again

in compliance with local ordinances.

(F) A presumption by a licensing authority pursuant to this paragraph that an applicant has complied with all local ordinances and regulations adopted in accordance with Section 26200 shall not prevent, impair, or preempt the local government from enforcing all applicable local ordinances or regulations against the applicant, nor shall the presumption confer any right, vested or otherwise, upon the applicant to commence or continue operating in any local jurisdiction except in accordance with all local ordinances or regulations.

(3) For purposes of this section, “notification” includes written notification or access by a licensing authority to a local jurisdiction’s registry, database, or other platform designated by a local jurisdiction, containing information specified by the licensing authority, on applicants to determine local compliance.

(h) Without limiting any other statutory exemption or categorical exemption, Division 13 (commencing with Section 21000) of the Public Resources Code does not apply to the adoption of an ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity. To qualify for this exemption, the discretionary review in any such law, ordinance, rule, or regulation shall include any applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code. This subdivision shall become inoperative on July 1, 2019.

(i) A local or state public agency may charge and collect a fee from a person proposing a project pursuant to subdivision (a) of Section 21089 of the Public Resources Code.

Brian F. Elliott, Chief Consultant



## Hartman, Clare

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**From:** Karen Kissler <mkslr@comcast.net>  
**Sent:** Thursday, August 24, 2017 4:54 PM  
**To:** Hartman, Clare  
**Subject:** Re: Alternatives - 1603 Hampton Way

Clare,

It was so lovely to meet David, Andy and Raissa and to see you (finally!) at Alternatives. I cannot tell you how much your work over these years has meant to us and all of Sonoma County's patients. You are a beacon. I mean that.

I truly understand the City's reticence to jump in to the recreational market. Administrative mandates like study sessions and public comment periods aside, I think you are wise to go slowly. That said, the City's existing dispensaries, and Alternatives, are ideally situated to serve the general public because they already went through rigorous vetting processes and are zoned appropriately. They have systems in place to offer heightened security, know well how to manage and secure cannabis, have demonstrated great responsibility, have track and trace software the City can oversee, understand and assume the legal risks (state and federal) of serving cannabis, have appropriate insurance in place, and have experience managing individuals and a large consumer base. I am sure I can speak for all the dispensary owners in our request to serve the recreational market.

May I set up a meeting between the owners and your staff so that we may propose a solution that will allow all the residents of Sonoma access to cannabis? I would love the opportunity to discuss this further.

Also, I have asked Scott Orr at the PRMD to be sure he has forwarded our plans on to your office ahead of the Sept. Design Review meeting on the dispensary remodel.

So glad we met!  
Karen

LAW OFFICES OF KAREN KISSLER  
Karen Kissler, Esq.  
77 Estelle Ave.  
Larkspur CA 94939  
415/250-8888

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**From:** "Clare Hartman" <CHartman@srcity.org>  
**To:** "Karen Kissler" <mkslr@comcast.net>  
**Sent:** Monday, August 21, 2017 4:25:48 PM  
**Subject:** RE: Alternatives - 1603 Hampton Way

Dear Cannabis Policy Subcommittee and Staff:

The adoption of the Adult Use of Marijuana Act (Prop. 64) in November 2016 was a burst of excitement for many. For the cannabis industry, however, Prop. 64 represents the culmination of a long and continuous evolution. The citizens of California clearly desire access to cannabis, including 59% of Sonoma County voters. The cultivation, use and sales of cannabis has been an intrinsic aspect of our community for a long time. Despite prohibition and continued social stigma, medical cannabis establishments have demonstrated time and again that responsible use and professional distribution result in an overall positive impact for our community.

As the medical cannabis industry has evolved in California, so have the policies of Santa Rosa. By adapting to this changing landscape, Santa Rosa has been a leader on medical cannabis. The recreational use of cannabis presents another opportunity for the City to regulate an emerging market. Much like the medical cannabis policy ordinance under current development, a comprehensive adult use policy will take considerable time. The full impacts of adult use sales and the supply chain necessary to support those sales will take time to quantify through a careful and deliberative process. In the meantime, the voters of Santa Rosa have clearly indicated their desire for legal adult sales beginning on or about January 1, 2018. The city has a rare opportunity to provide citizens what they expect in the short-term, while also working to gather important data to inform a comprehensive long-term policy.

City staff accomplished a similar feat when the zoning code interpretation was applied to the medical cannabis supply chain. This practical approach has allowed medical cannabis businesses to develop in Santa Rosa while the staff has continued to refine its policies and study the industry. Our dispensary has been in operation for more than six years and has an impeccable track record of compliance and community support. In fact, staff has referenced the existing dispensaries as model operations on multiple occasions. As such, these dispensaries are well positioned to meet the demands of Santa Rosa citizens while the City develops a comprehensive policy for adult use.

As was the case with the initial dispensary ordinance and the zoning code interpretation, this will be a learning process for the industry and the City. Peace in Medicine hopes to continue sharing information and collaborating with the City throughout the development of a comprehensive policy. To this end, we are prepared to provide the Subcommittee with monthly reports regarding our experiences of integrating adult use sales into our medical operations. These reports would detail sales volume for both adult use and medical customers, and would contain a brief narrative regarding our experiences serving both.

We understand that there are questions concerning adult use of cannabis in Santa Rosa. However the answers do not have to be complicated; adapt medical cannabis regulations to support safe and responsible access to adult use sales at proven establishments.

We sincerely appreciate your consideration of our request. Preparations for state compliance measures, community engagement maps, and cannabis educational materials are underway to meet the January 2018 timeline. We look forward to a collaborative and productive engagement with Santa Rosa City Council and planning staff. Please let us know any way that we can help the city's prepare for early adoption of adult use sales to better meet the expectations of voters and residents.

Sincerely,



Caren Woodson,  
Compliance Director  
SPARC/Peace in Medicine



## Hartman, Clare

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**From:** Erin Weber <eweber@calstrat.com>  
**Sent:** Tuesday, August 08, 2017 5:37 PM  
**To:** Hartman, Clare  
**Cc:** Mike Beaudry; Trippel, Andrew; Jared Ficker  
**Subject:** Setback Clarity

Hi Clare,

I hope all is well with you. Thanks for your quick response regarding my question about interim zoning – very helpful.

We are still committed to finding a potential site in Santa Rosa for distribution and we would like to clarify what we see as a potential issue between city and state regulations. AUMA states that the local jurisdiction has authority to specify a radius less than the State default of 600 feet from sensitive receptors (for all license types). We are familiar with the City's analysis that the 600 foot setback only applies to license types with retail storefronts.

However, unless the City formally and explicitly specifies a lesser radius for the other license types, including distribution, in the ordinance, we are concerned the State (and others) could interpret that the radius from sensitive receptors for the City defaults to the State standard radius of 600 feet from sensitive receptors.

I see that the draft medical ordinance includes footnotes that indicate that retail is subject to the 600-foot setback. Are there internal discussions about editing/strengthening the draft ordinance to include further clarity on this issue?

Naturally, we are eager to get clarity before moving forward with leasing the building.

Thanks for your help,

Erin  
805-440-9021

[Erin Weber](#) | Associate | CALIFORNIA STRATEGIES, LLC  
cell: 805-440-9021 | [eweber@calstrat.com](mailto:eweber@calstrat.com) | [www.calstrat.com](http://www.calstrat.com)  
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Sacramento, CA 95814                      Santa Barbara, CA 93101  
w: [\(916\) 290-6159](tel:9162906159)                      w: (805) 695-2350

## Hartman, Clare

---

**From:** Erin Weber <eweber@calstrat.com>  
**Sent:** Friday, August 11, 2017 6:59 AM  
**To:** Hartman, Clare  
**Subject:** Re: Setback Clarity

**Follow Up Flag:** Flag for follow up  
**Flag Status:** Flagged

Below is the section in AUMA. "unless a licensing authority or local jurisdictions specifies a different radius."

26054.

*(a) A licensee shall not also be licensed as a retailer of alcoholic beverages under Division 9 or of tobacco products.*

*(b) No licensee under this division shall be located within a 600-foot radius of a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the license is issued, unless a licensing authority or a local jurisdiction specifies a different radius. The distance specified in this section shall be measured in the same manner as provided in paragraph (c) of Section 11362.768 of the Health and Safety Code unless otherwise provided by law.*

*(c) It shall be lawful under state and local law, and shall not be a violation of state or local law for a business engaged in the manufacture of marijuana accessories to possess, transport, purchase or otherwise obtain small amounts of marijuana or marijuana products as necessary conduct research and development related to such marijuana accessories, provided such marijuana and marijuana products are obtained from a person or entity licensed under this division or Chapter 3.5 of Division 8 permitted to provide or deliver such marijuana or marijuana products.*

---

**From:** Erin Weber <eweber@calstrat.com>  
**Date:** Thursday, August 10, 2017 at 4:44 PM  
**To:** Clare Hartman <CHartman@srcity.org>  
**Cc:** Mike Beaudry <mbeaudry@herbl.com>, "Trippel, Andrew" <atrippel@srcity.org>, Jared Ficker <jficker@calstrat.com>  
**Subject:** Re: Setback Clarity

Would it be possible to add language to the ordinance (since it is still in draft form) "the 600 foot setback from sensitive receptors does not apply to the following license types: distribution, etc"

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**From:** Clare Hartman <CHartman@srcity.org>  
**Date:** Thursday, August 10, 2017 at 3:54 PM  
**To:** Erin Weber <eweber@calstrat.com>  
**Cc:** Mike Beaudry <mbeaudry@herbl.com>, "Trippel, Andrew" <atrippel@srcity.org>, Jared Ficker

<jficker@calstrat.com>

**Subject:** RE: Setback Clarity

I am not sure how to respond to your concern. The City's ordinance only established the setback provision for a dispensary. It doesn't list all the things that are not required... How would you suggest resolving your concern?

**Clare Hartman, AICP | Deputy Director - Planning**

Planning & Economic Development | 100 Santa Rosa Avenue | Santa Rosa, CA 95404

Tel. (707) 543-3185 | Fax (707) 543-3269 | [Chartman@srcity.org](mailto:Chartman@srcity.org)



---

**From:** Erin Weber [mailto:[eweber@calstrat.com](mailto:eweber@calstrat.com)]

**Sent:** Thursday, August 10, 2017 3:31 PM

**To:** Hartman, Clare <[CHartman@srcity.org](mailto:CHartman@srcity.org)>

**Cc:** Mike Beaudry <[mbeaudry@herbl.com](mailto:mbeaudry@herbl.com)>; Trippel, Andrew <[atrippel@srcity.org](mailto:atrippel@srcity.org)>; Jared Ficker <[jficker@calstrat.com](mailto:jficker@calstrat.com)>

**Subject:** Re: Setback Clarity

Hi Clare,

I know you are just returning from being out of the office and are probably slammed. We are eager to move forward with a building for distribution in Santa Rosa but are concerned that absent a provision in the draft ordinance specifically stating that the 600 foot radius from sensitive receptors does not apply to distribution, we are opening ourselves up to significant risk.

Thanks for your help,

Erin

805-440-9021

---

**From:** Erin Weber <[eweber@calstrat.com](mailto:eweber@calstrat.com)>

**Date:** Tuesday, August 8, 2017 at 5:36 PM

**To:** Clare Hartman <[chartman@srcity.org](mailto:chartman@srcity.org)>

**Cc:** Mike Beaudry <[mbeaudry@herbl.com](mailto:mbeaudry@herbl.com)>, "Trippel, Andrew" <[atrippel@srcity.org](mailto:atrippel@srcity.org)>, Jared Ficker <[jficker@calstrat.com](mailto:jficker@calstrat.com)>

**Subject:** Setback Clarity

Hi Clare,

I hope all is well with you. Thanks for your quick response regarding my question about interim zoning – very helpful.

We are still committed to finding a potential site in Santa Rosa for distribution and we would like to clarify what we see as a potential issue between city and state regulations. AUMA states that the local jurisdiction has authority to specify a radius less than the State default of 600 feet from sensitive receptors (for all license types). We are familiar with the City's analysis that the 600 foot setback only applies to license types with retail storefronts.

However, unless the City formally and explicitly specifies a lesser radius for the other license types, including distribution, in the ordinance, we are concerned the State (and others) could interpret that the radius from sensitive receptors for the City defaults to the State standard radius of 600 feet from sensitive receptors.



I see that the draft medical ordinance includes footnotes that indicate that retail is subject to the 600-foot setback. Are there internal discussions about editing/strengthening the draft ordinance to include further clarity on this issue?

Naturally, we are eager to get clarity before moving forward with leasing the building.

Thanks for your help,

Erin  
805-440-9021

[Erin Weber](#) | Associate | CALIFORNIA STRATEGIES, LLC  
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Local. Renewable. Ours.

City of Santa Rosa  
Clare Hartman, Deputy Director - Planning  
Planning and Economic Development Department  
100 Santa Rosa Avenue, Room 3  
Santa Rosa, CA 95404

Dear Ms. Hartman,

Thank you for the opportunity to provide feedback on the draft ordinance enacting comprehensive regulations for cannabis. As the local, publicly-owned electricity provider of Santa Rosa, the Sonoma Clean Power Authority recommends that cannabis permit holders be required to utilize 100% renewable energy - either generated on-site or purchased through a utility - for their operations.

Given the high volume of energy demand and potential environmental impacts, those seeking cannabis permits should be required to provide a current utility bill demonstrating their use of 100% renewable energy. The two options currently available in Santa Rosa are Sonoma Clean Power's EverGreen and PG&E's Solar Choice. Both products are guaranteed 100% renewable, with Sonoma Clean Power's delivering renewable energy produced solely within Sonoma and Mendocino Counties. The use of unbundled renewable energy credits or "RECs" should not be permitted to demonstrate compliance as Sonoma Clean Power does not use RECs in our procurement.

Permit holders should be allowed to offset any portion of their electric energy use with on-site solar, wind, or other renewable production. Evidence of on-site renewable systems should not be required, as the first provision above will ensure that any electric use will be from renewable sources.

Respectfully submitted,

A handwritten signature in black ink that reads "Neal Reardon". The signature is written in a cursive, flowing style.

Neal Reardon  
Manager, Regulatory Affairs

Dear Clare,

As a resident of Santa Rosa, I am respectfully submitting comments for consideration in response to the Draft Comprehensive Cannabis Policy Ordinance. I recognize that the Santa Rosa City Council has prioritized the development of medical cannabis regulations as one of their top priorities. I agree that it is essential that the City develops a regulated market to support cannabis businesses that protect employees, the community and the environment.

The City of Santa Rosa has a long-standing commitment to work to reduce greenhouse gas (GHG) emissions. In 2005, the City set a community-wide GHG reduction target of 25% below 1990 levels by 2015. In 2012, The City of Santa Rosa adopted a Climate Action Plan to identify and implement policies and programs to achieve the City's adopted GHG reduction targets.

The addition of cannabis cultivation and manufacturing of Sonoma County, and specifically in Santa Rosa, has large potential implications for the environment. Indoor cannabis facilities have high-intensity energy profiles, similar to data centers. **Indoor-growing facilities require massive amounts of energy for lighting, ventilation and dehumidification.** According to Duane Jonlin, from Seattle Department of Construction and Inspections, who spoke at the Cannabis Industry Energy Challenge (San Francisco, April 2017), it is "replicating Maui... in a west coast warehouse" which requires significant energy consumption. Upgrades of the power supply are often needed to prepare for the surge in use. It should be noted that greenhouses use approximately 80% less electricity than indoor cultivation.

States where medical and/or recreational cannabis has already been legalized have seen a rise in energy consumption, and without energy ordinances in place have struggled to find a solution to manage the increase in electricity demand. This increase in electricity demand will increase our greenhouse gas emissions and impact our local climate. There are several best practices that I urge you to consider or discuss.

#### Examples of Best Practices

##### **Support Energy Efficiency and Renewable Energy Education and Incentives**

Support access to education and technical assistance regarding best practices for energy and water use in cannabis production and regarding available incentives.

##### **Require Renewable Energy Use**

County of Boulder has sustainability requirements since 2015 for both licensed medical marijuana and recreational marijuana facilities, which includes 100% renewable energy offset (on-site renewables, community solar gardens, or an energy impact offset fund), safe disposal of used lamps, and compostable waste stream and water usage (currently under development).

##### **Energy Impact Offset Fund**

In 2014, Boulder County Commissioners approved a price of 2.16 cents per kilowatt-hour (kWh) for the Energy Impact Offset Fund. This included a process with many calculations of



externalized cost of electricity, the social cost of carbon and the looking at other business type energy intensities and setting a baseline consumption value for similar industries.

Sonoma County requires site electrical power to be provided by any combination of on-grid power with 100% renewable source; on-site zero net energy renewable source; or purchase of carbon offsets of any portion of power not from renewable sources. Sonoma County also bans generators except for portable temporary use in emergencies only.

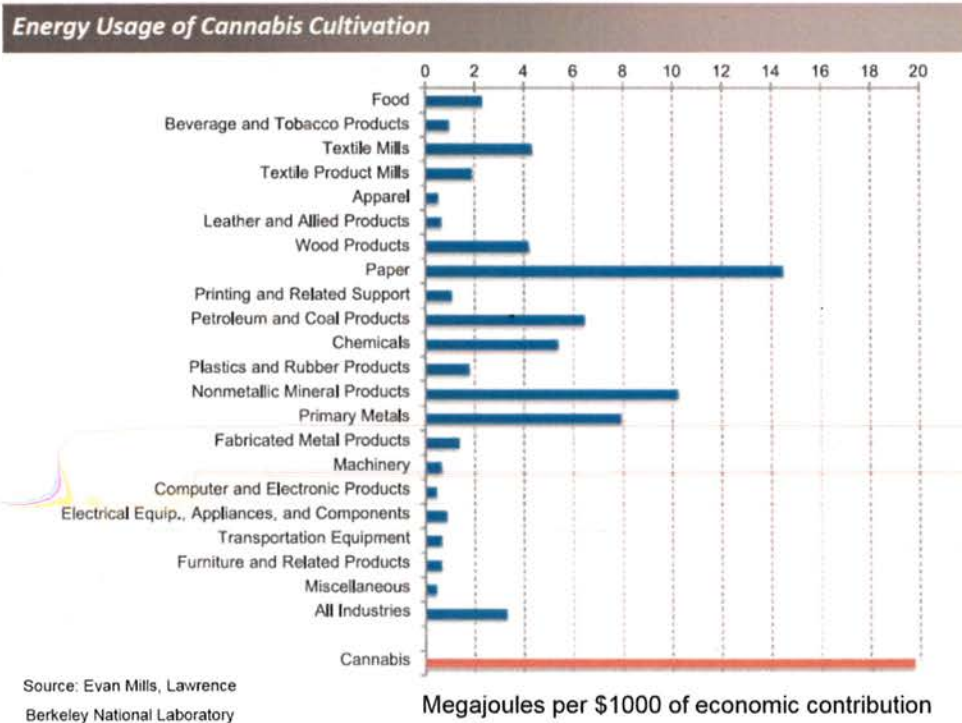
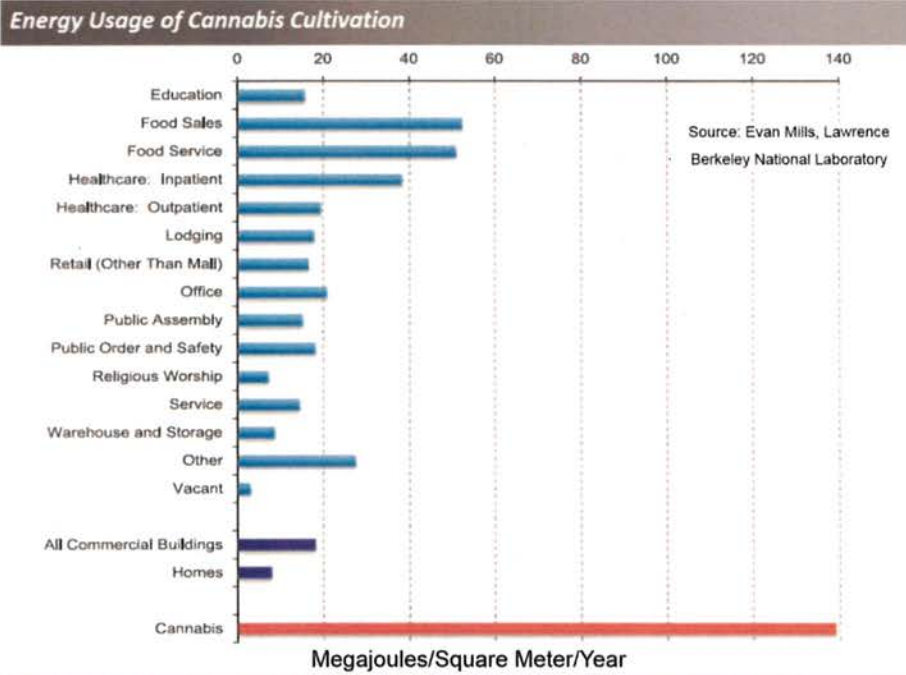
Currently there are several options available to comply with a 100% renewable electricity requirement, including SCP's EverGreen and PG&E's Solar Option.

***I urge you to consider adding an energy component to the current draft ordinance to reduce the environmental impact to Sonoma County.*** Thank you for considering these comments, and please contact me for any clarifications if necessary. I am happy to discuss further.

Sincerely,  
Carolyn Glanton

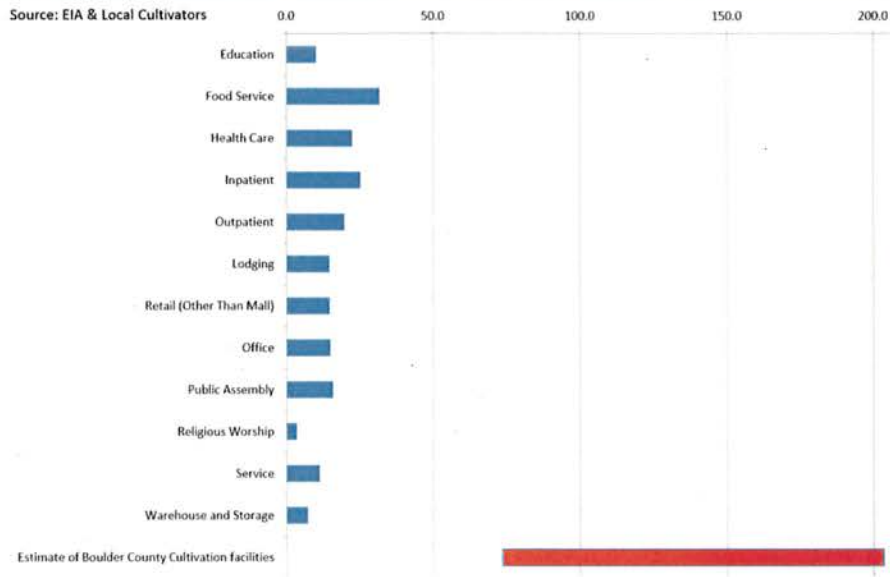
### Additional Resources

Graphs from Ron Flax's presentation on Boulder County at the Cannabis Industry Energy Challenge, EUCI Conference (April 2017, San Francisco)



### Energy Usage of Cannabis Cultivation - kWh/Sqft/Year

Source: EIA & Local Cultivators



Approximate Annual Energy Use Intensity (kWh/sqft/year)





Dear Cannabis Policy Subcommittee and Staff:

Thank you for your efforts to draft a comprehensive cannabis policy that meets the needs of the citizens of Santa Rosa. We appreciate the countless hours that the Subcommittee and City Staff have dedicated to this critical and timely issue. The ordinance is well written and represents another step in the right direction, however we believe there is still room for improvement.

First, we believe that the policy falls short of voters' expectations by prohibiting Adult Use sales. With 59% of Sonoma County Voters supporting Proposition 64, the message is clear: the people of Sonoma County and Santa Rosa want access to Adult Use cannabis. While a comprehensive Adult Use policy will take time to develop, there is a safe and reasonable way to allow for Adult Use sales in the interim. Our dispensary is already permitted and subject to regulation and staffed by skilled, knowledgeable individuals relying on time tested standard operating procedures. This facility is uniquely positioned to serve the Adult Use market until a comprehensive policy can be enacted.

Much like the Zoning Code Interpretation employed to support the existing cannabis uses, this is a practical approach that would allow limited Adult Use sales to occur while the City crafts a comprehensive Adult Use policy in a deliberate fashion, without undue haste. If the City does not allow Adult Use sales in this round of policymaking, then there will be a dearth of access points and consumers will seek cannabis elsewhere – in other jurisdictions or the illicit market.

In addition to an interim plan for Adult Use sales, we request clarification on the process for existing operators under the comprehensive policy. Pursuant to the existing Dispensary Ordinance, Peace in Medicine completed a lengthy application process before beginning operations. Since then, we have complied with the Ordinance and have submitted biennial renewal applications, complete with background checks on managers, lists of employees, information about crime rates near our dispensary, and more. We have hosted countless tours to local elected officials, City and County Staff and Planning Commissioners. We have also provided tours for employees of other cities and counties seeking to learn about the hallmarks of a model dispensary operation. As an established operator with an impeccable record of compliance and community engagement, we feel that a CUP process for our dispensary is an unnecessary expenditure of City Staff time and resources. To this end, please provide clarification in the draft policy concerning the pathway forward for existing operators.

On behalf of our Executive Director and the thousands of patients who rely on our facility, thank you for the dedicated effort to develop this policy. We are proud to call Santa Rosa our home, and look forward to continued collaboration with the City.

Sincerely,

A handwritten signature in black ink, appearing to read "Caren Woodson". The signature is fluid and cursive, with a large initial "C" and a long, sweeping tail.

Caren Woodson  
Director of Compliance

## Hartman, Clare

---

**From:** Guhin, David  
**Sent:** Thursday, July 27, 2017 11:14 AM  
**To:** Hartman, Clare  
**Subject:** FW: Submittal for public comment Cannabis subcommittee city of Santa Rosa  
**Attachments:** Executive Summary for GMV Final.pdf

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**From:** Brian McDonald [mailto:brian@oregonbrokeragehouse.com]  
**Sent:** Thursday, July 27, 2017 8:58 AM  
**To:** brian@oregonbrokeragehouse.com; Noah b <biavaschi@gmail.com>; Guhin, David <dguhin@srcity.org>  
**Cc:** swantek.shannon@gmail.com; David Thal <dthal@envstd.com>; Evan Ogburn <eogburn@envstd.com>  
**Subject:** Submittal for public comment Cannabis subcommittee city of Santa Rosa

To the committee and David Guhin,

Please see attached executive summary regarding proposed regulation, auditing and accreditation for environmental, Ag and cannabis testing labs in The city of Santa Rosa, California that are involved with the emerging legal cannabis industry.

Santa Rosa intends to be a leader in crafting a strong, artisan and highly ethical cannabis industry. Growmorevalue LLC would like the committee to open up debate on how to best facilitate a fair market for cannabis producers processors and retailers. Tantamount to this is consumer safety, product differentiation, product spec, QA, QC and process validation. Mandating 3rd party solutions that facilitate best industry standards are critical to the development of this envisioned marketplace.

Thank you

Brian McDonald, Founder, GMV. 7/27/17

Sent from my iPhone



Attention: David Guhin

City of Santa Rosa  
Cannabis Policy Subcommittee  
Clare Hartman, Deputy Director – Planning  
100 Santa Rosa Avenue  
Santa Rosa, CA 95404  
[chartman@srcity.org](mailto:chartman@srcity.org)  
707-543-3185

### **Summary of Testimony pertaining to Oversight of Laboratories in the Cannabis Industry**

ISO 17025 is an international standard of credibility and client services for calibration and testing laboratories. The ISO standards are produced by an international consensus process and the accreditation is reciprocally accepted by any ISO Accreditation Body worldwide. ISO 17025 Accreditation Bodies are accredited under ISO 17011 which ensures that this reciprocity is granted. The International Organization for Standardization creates appropriate, industry-based standards that have a Quality Management System that emphasizes the ability for an ISO-accredited organization to meet its client needs. These standards are also intentionally created to be general enough to meet the needs of any organization within the industry. ISO 17025 provides the quality system framework for calibration and testing laboratories generally, including those serving the food, nutritional supplement, epidemiology, mechanical, and various other industries.

In the cannabis industry, there have been three approaches states have taken to the oversight of cannabis laboratories. States such as Washington and Colorado have implemented state specific certification programs that are not ISO based and are being created on a stepwise implementation timeline. These programs are still experiencing many difficulties keeping up with the rapidly changing science in this quickly maturing industry. The decision to require ISO accredited laboratories by states such as Massachusetts, Maryland, and California is well supported by both the state regulators and industry professionals operating within those states.

ISO accreditation is the accepted minimum standard for accreditation; however, it is not wholly sufficient for consistently accurate and precise data. The ISO accrediting bodies do not have enforcement power beyond the requirements of the standard. State enforcement outside of this structure is largely unable to perform the technical oversight necessary to ensure that each laboratory, utilizing its own methods, is producing data with the consistency and intercomparability of laboratories in established industries with nationally validated methods. There are many variables that affect data quality and accuracy, including sampling error and client pressure. As a result additional oversight is needed to supplement even ISO-accredited laboratories to ensure that laboratory results are of sufficient quality.

This objective, to be able to rely on laboratories to provide consistent data of known quality reported for each result, has not yet been successfully reached by the first two approaches. Oregon attempted to achieve this by appointing their own state accrediting body, ORELAP, to accredit laboratories to the TNI standard. The TNI standard includes all of the ISO 17025 language directly but adds additional requirements deemed necessary for regulating more precise and public health-based methods while meeting the needs of as many states as possible. This approach, along with ORELAP's ability to enforce this standard and the state requirements with more frequent audits, seemed appropriately designed to reduce the gaps of a third-party accreditation program with a less prescriptive standard. Unfortunately a lack of resources continues to challenge this approach.

A program that allows for third-party ISO accreditation supplemented by a program to provide the extra "sub-regulatory" guidance and oversight would be ideal for providing oversight to laboratories striving for compliance with state/local regulations and for ensuring product quality in the marketplace. The implementation of such programs will improve the overall effectiveness of the laboratories and will provide the detail necessary to provide a level playing field needed for consistent data quality across laboratories in the program.

This approach has not yet been seriously considered by state or municipal authorities due to cost concerns but this may be an easily surmountable obstacle. A cannabis marketplace that requires the testing of products under this type of testing program can expect an improvement in customer satisfaction and an improvement of the overall culture of the marketplace. This is because reliable and accurate data will be used to assess and drive product quality within the marketplace and will provide added confidence that the information presented on product labels is true. Highlighting this value to stakeholders as a necessary component for a strong and well-reputed market should provide support for the budgetary allowance from the fee structures. Even if the states/municipalities lack the resources to implement a hybrid scheme on their own, the obligation of the cost of audits/inspections may be reasonably and equitably borne by the licensees. To participate in and comply with the additional inspection program as a licensee (e.g., producers, processors, retailers, etc.) whether voluntary or compliance-based will be necessary in order to maintain a presence and gain a competitive advantage within the marketplace. GMV's emerging Technical Specifications Manual (TSM) coupled with third-party oversight programs (e.g. lab auditing, data validation) would serve as the framework for this service.

Developed For:  
Growmorevalu LLC



Brian McDonald  
360-485-3034  
Founder

07/27/2017

Developed By:  
Vitale Scientific Associates, LLC



Shannon Swantek – Senior QA Scientist



Evan T. Ogburn, M.S., CPGP, CQA – Senior  
QA Scientist



David Thal, David I. Thal, CQA, CEAC,  
CFS - Director

## Guhin, David

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**From:** Jeffrey Kolin <forkolin@aol.com>  
**Sent:** Tuesday, July 25, 2017 1:06 PM  
**To:** Guhin, David  
**Subject:** Chapter 20-46

Hi David,

First, good luck this weekend with the Iron Man. I think it is such a great move on behalf of the city and our community to attract this great event to Santa Rosa. It will really cement our reputation for a premier destination for endurance athletes, running, cycling and swimming. Great positive impacts on our economy and destination tourism.

Second, I had a chance to go through the proposed changes to the cannabis ordinance and wanted to pass on some brief comments. The responsibilities of the Board of Equalization have been divided up with some of them transferred to the Department of Tax and Fee Administration. You will want to confirm where the taxation of cannabis will be located, I believe it will be with the Department.

### Personal Cultivation

Think about provisions to prohibit razor wire or barbed wire as security measures for personal cultivation sites. Incorporate a provision that gives the City the right to inspect personal cultivation areas for compliance with the City codes. Reserve the right to implement a registration program at a future date.

### General Operating Requirements

There may be a future challenge if both medical and recreational sales occur at the same location with age limits for medical at 18 and recreational at 21.

Security cameras - You may want to incorporate a provision that provides for remote access by public safety departments. This would allow them to have random access or if you would like to be able to use it for auditing purposes just identify authorized city personnel for access.

### Medical Cannabis Commercial Cultivation

Will you permit the use of CO2 systems for commercial cultivation? If yes make sure you require adequate permitting and monitoring systems.

### Medical Cannabis Retail and Delivery

Record Keeping - incorporate provisions that give you access to both electronic records and written back up records.

Consider incorporating a provision that requires the retailer to log in medical cannabis card numbers issued by the state or county for each transaction for which sales tax is waived. All others, prescription only, should be charged sales and use tax.

Consider incorporating guidance on signage and advertising on the exterior of buildings, unless this is already covered in your general zoning codes for signage.

That's all for now!



I am off on vacation for two weeks and will return on August 13.

Jeff Kolin

## Guhin, David

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**From:** Patrick Stubbs <patrick.stubbs@osirisco.com>  
**Sent:** Monday, July 24, 2017 2:18 PM  
**To:** Guhin, David  
**Subject:** FW: Win-Win Medical and Recreational Cannabis Outcome in Santa Rosa

Hi David,

Just wanted to send you a copy of an email we sent the City today.

Best wishes,

Pat.

---

**From:** Patrick Stubbs [mailto:patrick.stubbs@osirisco.com]  
**Sent:** Monday, July 24, 2017 4:57 PM  
**To:** eolivares@srcity.org; crogers@srcity.org; jsawyer@srcity.org  
**Cc:** 'Tibbetts, Jack' <hjtibbetts@srcity.org>; ccoursey@srcity.org; jcombs@srcity.org; 'Schwedhelm, Tom' <tschwedhelm@srcity.org>; 'Jigar Patel' <jigar.patel@osirisco.com>; 'Blair Carter' <blair.carter@osirisco.com>; 'Annarae Garbstein' <annarae.garbstein@osirisco.com>; 'Douglas Cortina' <douglas.cortina@osirisco.com>; 'Dick Pierce' <dick.pierce@osirisco.com>  
**Subject:** Win-Win Medical and Recreational Cannabis Outcome in Santa Rosa

Dear Ernesto, Chris and John,

We hope this email finds you well and we wanted to follow-up on our last constructive dialogue with the City on Ballot Measure D with some feedback on the Proposed Cannabis Ordinance that will be discussed at the Cannabis Sub-Committee Meeting on Thursday 27 July and give our perspective as one of the largest Permitted Cannabis business in the California, and Santa Rosa. To recap, we have invested more than \$6 million from a Group of investors to develop two Indoor Medical Cannabis Cultivation Suites on Giffen Avenue in Santa Rosa, having signed a lease on the two facilities in June 2016, applied for the CUP in September 2016, received the CUP in March 2017, and applied for our Building Approvals in April 2017 (which are still pending). These two facilities are part of a \$75 million portfolio of seven cultivation facilities in the Bay Area which is amongst the largest in the State of California, and the Country. **In summary, we would propose that the City places a ban on recreational Cannabis dispensing (to limit the public impact of recreational Cannabis on the Community and give the City more time to understand and monitor the impacts), while still allowing both medical and recreational Cannabis cultivation and manufacturing (in a regulated manner that encourages legal operations but out of the public eye) to further Santa Rosa's position and standing as a place to do business in the State.**

We would congratulate the Council on welcoming the industry to Santa Rosa and being at the forefront of drawing up Ordinances that are consistent with the City's strong reputation and heritage for welcoming business and enterprise to the City. We are acutely aware of the challenges that the Council has faced grappling with the potential of this new industry along with some very strong views, both pro and con for bringing the industry into Santa Rosa. This is certainly a hot topic of conversation that elicits strong passion from both sides of the community, those concerned about the impact of freely available medical (and now recreational) Cannabis on the Community, and those who are ardent advocates of both the medical and recreational benefits of Cannabis.

With that in mind we would propose what we think is a **"win-win" outcome for the City, the Industry, and your Constituents**, which is also consistent with the objectives of the Sub Committee. We feel that limiting recreational

cannabis dispensing, but allowing medical and recreational cultivation and manufacturing, is a good balance between mitigating the public's concern about freely available recreational cannabis (and giving the City time to assess its impacts), while continuing to develop industry and support continuing investment into the City of Santa Rosa. Access to the recreational cannabis marketplace is extremely important to the 34 permit applicants (as per your May 25 Report titled "Cannabis Permitting Update") because the scope of the recreational market is a factor of 5x that of the Medical Cannabis Market. Market sources estimate that the medical cannabis market stand-alone is \$1.5 billion per year in sales in California, compared to the recreational cannabis market which is estimated to be upwards of \$8 billion per year in sales in California. **Having the flexibility to make sales to the recreational market is extremely important in order to maximize the size of the market for our products and potential to maximize revenues and returns to our investors, and to continue to fund new operations in the City.** This difference is very meaningful and has the potential to have a huge impact on both investment and job creation potential that has been made in Santa Rosa. To put some numbers that give a sense of order of magnitude of investment that has been committed to the City, the May 25 Report lists 737,967 square feet of "Cannabusiness" are under consideration in the City for permits. Our cost to construct facilities and get to first revenue, is approximately \$250 / square foot that we need to source from external investors to fund our operations. 737,967 square feet multiplied by \$250 / square foot, equates to approximately **\$184 million of investment into Santa Rosa** that will be impacted by this decision, either positively or negatively. Furthermore, our 40,000 square feet of operations in the City will create approximately 40 jobs for Santa Rosa and Sonoma County residents. Applying that ratio of square feet under permit consideration in Santa Rosa / jobs, this decision on medical vs recreational will also either positively or negatively impact the operations of **up to 740 jobs** that will be created by the industry in the next 12 months. Both of these figures are more meaningful than people realize and have huge ripple effects outwards to the local economy of the City. We wanted to touch on some of the points that we heard from the Sub Committee through the Measure D process (listed on Page 8 of David Guhin's presentation to the Sub Committee on 26 January of this year) and provide some perspectives from the industry to help inform the process.

**Sub Committee Objective 1 – Encourage the industry to operate legally and not in the black market (minimize criminal / undesirable (odor and usage) impacts of unregulated cannabis in Santa Rosa)**

- Providing a permitting framework that encourages the industry to transition to the regulated market was emphasized while minimizing the impact on the community.
- Limiting the market for cultivation and manufactured products to only 16% of the total market in California (the medical fraction), does not encourage the industry to participate in the regulated market because it dramatically reduces the potential marketplace for products produced within the City, and the revenue we can generate.
- **Limiting the whole supply chain to medical only will encourage black market and grey market operators to remain in the black market and not step out into participating in the regulated marketplace.**
- Those that do decide to pursue permits for cultivation as well as manufacturing, will do so behind closed doors (out of the public eye of the Community) in the three industrial zoned areas for the specific cannabis CUP. The City has been a leader in mandating aggressive odor mitigation requirements on operators (which we support) in order to minimize the public impact of cultivation and manufacturing in our community, which is the most common point of contention from the Community. This combined with the 1,000 feet setback from schools ensures that any negative impacts on the Community are reduced, while retaining the positive impacts of investment into the City and job creation and that positive effect in the Community and for City Tax Revenues.
- **Limiting recreational dispensary sales will reduce the potential public impact of recreational sales while we take time to assess how a recreational market could impact Santa Rosa, while allowing cultivation and manufacturing for medical and recreational, does not impact the Community at all negatively (only positively) when regulated by the City as is currently contemplated (outside of the draft ordinance that bans recreational cultivation and manufacturing)**

**Sub Committee Objective 2 – Develop a tax that is simple to administer and audit (Harmony with State Legal Framework for Cannabis)**

- SB94 which was signed into law earlier in July harmonized how the State thought about Medical and Recreational Cannabis, it merged the two and created one set of regulations for the whole industry, both medical and recreational use.



- In previous iterations of State proposed regulations, separate facilities and permits for medical and recreational cannabis cultivation and manufacturing were considered, this has changed recently with SB94 harmonizing these permits into one class, as opposed to two separate classes of permits. i.e. the permits are considered the same under current proposed State Regulations.
- This creates a disconnect between the local regulations, and the State regulations and creates additional complexity for the Industry and the City. This is also a unique approach that is not consistent with other Cities and Counties across California.
- Enforcement of a medical only cultivation and manufacturing regime would be extremely time consuming and costly for the City to enforce.
- Cultivators and manufacturers sell their products into a State marketplace, typically via distributors who distribute products across the State. Although the City may dig into the “Track and Trace” system to see where our products ended up (i.e. either a medical or recreational customer), the decision lies in the hand of distributors (nearly all out of Santa Rosa) as to where this product will go. **The State removed the requirement on distributors to either sell into medical or recreational with SB94 and now are agnostic in terms of where product ends up.** It is close to a 100% scenario that even if we asked our distributors to sell only to the medical market (if this draft ordinance is passed), that this product would all end up in the medical market, as it is up to the distributors where it ends up, and they will look to maximize their profits by selling into both markets (and have no requirement to sell into one or the other, rather both). **Given this is completely out of our control, this makes enforcement very challenging,** we can have the best intentions of where the product, but if it isn’t our decision as operators in the City, then this brings enforcement into question?
- Making demands of our key distributors to sell only product into the medical market places Santa Rosa Cannabis at a huge disadvantage to product cultivated or manufactured in other distributions, it is not a realistic assumption that businesses in Santa Rosa can make that request without significant financial ramifications that question the viability of existing investments.

**Sub Committee Objective 3 – Collect sufficient tax revenues to address impact of Cannabis industry (Create a tax framework for Cannabis that preserves the General Fund)**

- The General Fund was off limits for funding enforcement and creating a framework for regulation for this new industry
- Creating a large and vibrant industry underpins the tax revenue for the City and make sure this is self-sustaining and not a burden on other critical programs
- Limiting the size of our market and our revenue potential, while setting taxes on gross receipts, links revenue generated to tax revenue generated for the City very tightly
- Maximizing the industries revenue, while creating a safe environment to conduct business, maximizes the amount of tax dollars the City brings in to regulate and educate, which was a point that has been made a number of times (and also in David Guhin’s presentation to the Sub Committee on page 5 of his 26 January 2017 presentation). This also is very linked to point 1 in terms of encouraging participation in the regulated market. More revenue for the industry (with recreational allowed), brings in more tax revenue, which also reduces the amount of tax on the industry (expressed as a percentage of gross receipts, and keeps that low), which encourages more black market and grey market operators to participate in the regulated marketplace. This is a cycle that is inextricably linked to the decision to either allow medical or medical and recreational, the later creates a positive cycle, the former does not.

For these reasons we think that allowing cultivators and manufacturers to participate in the new recreational, and existing medical, cannabis marketplace, while limiting dispensing to only medical customers, is a win-win scenario for the Industry, the City, and citizens concerned about the impact of recreational consumption within the Community, while giving the City more time to assess what that potential looks like to harmonize industry and community interests on that front in 2018.

We would like to continue to be helpful and give assistance to the City as it continues to work through its regulatory framework for the Industry. We would welcome the opportunity to host a conference call ahead of the Thursday

meeting if schedules permit to go through some more of these considerations with you before the meeting. Please let us know how we can be helpful contributors to this dialogue.

Best wishes,

Osiris Ventures Partners

Patrick Stubbs  
Partner  
Osiris Ventures  
+1 415 866 7995

## Hartman, Clare

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**From:** william fisher <scargo2015@gmail.com>  
**Sent:** Thursday, July 20, 2017 12:46 PM  
**To:** Hartman, Clare  
**Subject:** Ethanol should be non-volatile

Hi Clare,

I wanted to touch base with you because I understand that the city is currently proposing new rules regarding the two types of manufacturing licenses to offer and which solvents / chemicals fall under which license.

I am in the camp that Ethanol should be considered under a type 6 non-volatile license. Sonoma county presently lists ethanol under it's non-volatile solvents and both Oregon and Colorado let processors use ethanol under their respective non volatile category. I have attached an article that I think accurately summarizes why the city of Santa Rosa should reconsider it's position on how it perceives ethanol. In addition, the state of California has recently drafted new verbiage for its classification of manufacturing licenses by not listing specific chemicals but instead talking about the various flashpoints of chemicals and ultimately leaving the decision up to various Fire Departments to determine what they believe to be safe or not.

It is my hope that you all continue to have an open mind in reviewing the many policies that are coming forward as they can have a dramatic effect on the cannabis manufacturing business.

I look forward to talking with you at 1pm today.

Take care,  
Bill Fisher  
415-385-8078

<http://cannalegal.us/2017/06/13/cannabis-regulations-public-comment-california/>

<https://www.leafly.com/news/industry/ethanol-cannabis-extraction>



## Hartman, Clare

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**From:** Domingo Rivera <drivera@gaiaca.com>  
**Sent:** Tuesday, September 12, 2017 1:59 PM  
**To:** CMOoffice; Hartman, Clare; Guhin, David; City Clerk  
**Subject:** NOTICE: Cannabis Waste Management and State Regulation Requirements

Hello City of Santa Rosa Staff,

I am reaching out to congratulate you on recently approving your cannabis regulations and giving cannabis businesses the opportunity to operate in your jurisdiction. I wish your city and operators great success!

My name is Domingo Rivera, I am one of the founders of Gaiaca, an Environmental Consulting and Cannabis Waste Management Service Company. We want to offer our complimentary consulting services to your municipality as we have worked to bridge the gaps in municipality ordinance requirements to the execution of the cannabis waste plans by operators.

We have been assisting operators with their local and state application needs when it comes to the SOP's associated with waste management plans. As a physical service, we take over all proposed CA regulation requirements for waste management including the holding time, weighing, testing, categorizing, and lastly we provide manifests for their track and trace program.

We always recommend that municipalities include verbiage for cannabis waste to be rendered to the state's proposed requirements or picked up and managed by a licensed cannabis processor.

Gaiaca is most excited and proud that we are helping to reduce the industry's environmental impacts by using our services. We turn 100% of organic cannabis waste into usable top soil that will be donated to cities for landscaping purposes as well as universities and labs for further research.

We have gone above and beyond what is needed as we want to make sure everything is accounted for. Gaiaca is a fully licensed and permitted company:

Type 7 (Manufacturing) - we process all categories of cannabis byproduct, including volatile extracted material, and revitalize any applicable material into usable soil

Type 8 (testing) - we collect batch samples to be tested so as to properly categorize waste material

Type 12 (transporter) - we transport all byproduct through our track and trace program with manifests to report as receipt

NOTE: we do not test ourselves as that could be construed as a conflict of interest. We have partnered with SC Labs as well as a handful of other labs to do so.

Lastly, we are a company dedicated to our clients, the community, and to the environment. There are no shortcuts with us. We want to do everything by the book and help our clients do the same. We are able to do so by removing the liability of potential mismanagement of waste material and save our clients tons of money by taking on the testing and processing requirements ourselves. We currently service cultivation, dispensary, and

manufacturing facilities from Sacramento to San Luis Obispo and consult for municipalities, operators, attorneys, and consultants all over the state.

If you have further interest or would like to speak in detail about the services we offer the industry, please feel free to contact me on my personal number [831.917.7645](tel:831.917.7645).

Best Regards,  
DR

**Domingo Rivera**  
Gaiaca Waste Revitalization  
[120 Calle Del Oaks, Suite B](#)

[Del Rey Oaks, CA 93940](#)  
T: (831) 917 - 7645  
[drivera@gaiaca.com](mailto:drivera@gaiaca.com)

## Hartman, Clare

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**To:** Hartman, Clare  
**Subject:** FW: Santa Rosa Cannabis Meeting - Health Update

**From:** Karen Milman [mailto:Karen.Milman@sonoma-county.org]  
**Sent:** Wednesday, July 05, 2017 10:51 AM  
**To:** Guhin, David <dguhin@srcity.org>; Christine Sosko <Christine.Sosko@sonoma-county.org>  
**Cc:** Arielle Kubu-Jones <Arielle.Kubu-Jones@sonoma-county.org>; Hartman, Clare <CHartman@srcity.org>  
**Subject:** RE: Santa Rosa Cannabis Meeting - Health Update

Hi David.

Hope you enjoyed (or are enjoying your time off). I had a chance to quickly skim your draft ordinance but not read it as thoroughly as I would like. I did notice one thing that I wanted to mention sooner rather than later. I see that you included the health permit for edible manufacturers, excellent. But I do not see a reference to a health permit for dispensaries. For the unincorporated area, Sonoma County DHS is requiring a health permit for both edible manufacturers as well as all dispensaries to ensure product safety throughout the entire cycle. That will be of particular importance if on-site consumption is later allowed. I am not sure if you wanted us to do both for the city as well or were just wanting us to help with edible manufacturing. Our recommendation would be both.

Regards,

Karen

---

Karen Milman MD MPH  
Health Officer  
Department of Health Services  
Sonoma County  
490 Mendocino Ave, Suite 205  
Santa Rosa, CA 95401  
(707)565-8695

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**MEMO**

July 6, 2017

To: Santa Rosa City Council

From: Steve Herrington, Ph.D., Sonoma County Superintendent of Schools

Re: Requesting greater separation distance between schools and cannabis businesses

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This letter is to encourage the Santa Rosa City Council to amend its draft cannabis policy to require a 1,000-foot separation between schools and cannabis dispensaries—consistent with policy adopted by the County of Sonoma. I also urge you to consider the same separation distance for outdoor cannabis cultivation facilities.

Page 30 of the city's draft Cannabis Regulations document proposes a separation distance of just 600 feet—less than two football fields—between schools and dispensaries. It appears that no setbacks are required for outdoor cannabis cultivation.

I understand that new state law only requires a minimum of 600 feet separation for a variety of marijuana uses, from outdoor cultivation to dispensaries. However, I urge Santa Rosa to be a leader in this area and provide additional protection for students and children. Risks associated with selling or growing marijuana near schools include: noxious smell, a potential for increased crime, and increased student access to cannabis products.

I appreciate that the proposed policy prohibits advertising of cannabis within 1,000 feet of a day care, school, playground, or youth center. However, studies have shown that selling tobacco near schools increases experimental smoking. [News reports from Colorado](#) show the same is true for marijuana. Maintaining these protections would also support a goal of Sonoma County's Health Action Plan to create environments that empower young people to not drink, smoke, or use other drugs.

Thank you for your consideration.

Sincerely,



Steven D. Herrington, Ph.D.  
Sonoma County Superintendent of Schools

## Hartman, Clare

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**From:** Tawnie Logan <tawnie@scgalliance.com>  
**Sent:** Monday, July 17, 2017 7:30 PM  
**To:** Hartman, Clare  
**Cc:** Guhin, David  
**Subject:** Comments on Draft Comprehensive Cannabis Policy

Hello Clare,

Below are my initial comments shared this evening on the proposed comprehensive ordinance.

### Ordinance Comments

- Setbacks for schools 600'
  - There is clear transient traffic that is associated with liquor stores, and harmful health impacts from tobacco smoke, but not for medical dispensaries.
  - There is clear historical evidence that medical dispensaries do not create crime in their immediate neighborhoods, as you can see in police records and the positive relationships that our local dispensaries like Mercy Wellness and compatibility with downtown storefronts like Peace in Medicine, Sebastopol.
  
- Medical cannabis—testing laboratory
  - Unfortunately, testing labs are currently only proposed in Office Commercial
  - Cannabis labs are an essential business in the supply chain and will have a low impact on the neighboring businesses as the samples are delivered in sealed grams from farm straight to a lab for purity and quality testing. Lab couriers are as discreet and professional as couriers like Quest Diagnostic.
  - I understand that existing Laboratories are only zoned Office Commercial, and perhaps that satisfies the needs of most labs. However, we need to open up as many pathways to access for lab testing as possible. SR has a very low availability of commercial buildings and could benefit greatly from inviting far more labs to establish in our community with the natural flow of product from north to south and our positioning both geographically and with inclusive policy.
  - I recommend including: Commercial Neighborhood, Commercial General, Commercial Downtown, and Community Shop Center.
  - I want to note that Adult Entertainment alcohol sales, night clubs, and tobacco smoke shops are allowed in these zones; and note that a testing lab would have a much lower impact from traffic to neighborhood impact.
  
- On-site consumption is the most responsible way for the city to integrate the new wave of consumption, especially for visitors from out of the area. This will breed safe consumption, especially during a time when so many people are learning new products and personal thresholds.

Thank you for your attention to this discussion!

Best Regards,

Tawnie Logan  
Chair of the Board  
Sonoma County Growers Alliance  
(707) 978-4848  
[SCGAlliance.com](http://SCGAlliance.com)  
SCGA Monthly [Newsletter](#)

Cannabis Comp Ordinance Public Meeting  
July 17, 2017

Public Comments

Steve, Sup of School - 600 minimum school setback, City has right to set more; liquor is 1000 feet, cigarettes 1000; county has adopted 1000 feet.

Setterland; Smell associated with grow; 500 square feet caregiver area is too large, wants prohibited for personal use as well. Allow indoor, smell can be filtered. Are you testing products for personal use? What about caregivers?

Katie Sanchez: requests 1000 feet setback to childcare and preschool.

Greg O. Q: Why is there support for outdoor small grow on residential property when private property owners complain? Smell is a common complaint. R - Council determined personal use was an individual right; the current regulation will determine if outdoor cultivation will continue to be allowed.

Setterland, She concurred residents have right to smell free homes.

David – Q: timeline for adult use regulation? Q: Will City regulation harmonize with state laws? R - Council will direct when adult use regulations will be developed. R - State and local rules overlap in the support use arena. Consumption by adult and medical users will be treated differently; the setback requirements may need to be adjusted accordingly. Q - Prop 64 personal use now, why wait? R - City allows personal grow, it develop rules incrementally.

Christopher Ott - Land use permit required for retail? R - Yes, Q: Will it be treated like Liquor? R - Different regulations for cannabis need to address operation impacts of C uses.

Julie Ingram beck law – C - Micro business cannabis should be encouraged; Setback issue in trailer bill is confusing, did not see that City may modify of non-retail setbacks, How will Ordinance CEQA review be addressed; She suggest C business store 30-days not 60-day security data, it is too expensive to do so.

June ??, warehouse building owner, C - Encourage concentration limit on indoor commercial cultivation. It has tripled warehouse pricing, C - Small business owners have a difficult time to get to these meetings; Q - What is the current status of over concentration of business; R – David offered to meet with groups. R – Concentration only addresses C retail. The City is tracking square footage of industrial sites;

CHECK INDUSTRIAL LAND SURVEY.

Alexa Garcia, med cultivation and transportation, C - Recent state change in law would allow transport from a business delivery model, cannot close down delivery, that will reduce access to



medical C; Delivery model is not new, it is growing; would operate like dispensary but not require public access.

Karen Mandel – Q: where is 1000 foot setback measured from, building or property boundary? R - 600 feet measure from parcel boundary

??? - 1000 is alcohol standard, it should be used for C as well.

??? – Is there a brewery setback? R - None

Shawn Broajico – C - Allow infusers in more districts; Need to add C uses to districts in the downtown where there are supporting activities; onsite medical consumption should follow the lead of San Francisco and Oakland. R - baking ("infusion") this use

Lauren Mendel son - Add new license types: processor, infused products, micro-businesses which are part of state law.

Connie Logan - The number of dispensary in the City will be limited by setbacks; it should not be the same as tobacco (1000 feet). Pay attention to data and avoid prohibition era thinking. Dispensaries will increase security, based on existing required security measures. Need to learn from current outdoor cultivation to understand community odor complaints. More testing labs are needed. The City is on the north coast 101 corridor. Allow labs in all commercial district where stores selling tobacco and liquor are allowed. Need to allow on-site consumption where establishments can great a good environment for socially responsible consumption and behavior.

Sent from my iPad

## Hartman, Clare

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**From:** Hartman, Clare  
**Sent:** Wednesday, July 12, 2017 2:03 PM  
**To:** Hartman, Clare  
**Subject:** Fwd: Draft Cannabis Ordinance

Sent from my iPhone

Begin forwarded message:

**From:** "Guhin, David" <[dguhin@srcity.org](mailto:dguhin@srcity.org)>  
**Date:** July 9, 2017 at 10:47:50 AM PDT  
**To:** "Hartman, Clare" <[CHartman@srcity.org](mailto:CHartman@srcity.org)>  
**Subject:** Fwd: Draft Cannabis Ordinance

FYI

**David M. Guhin | Director**

Planning and Economic Development  
100 Santa Rosa Ave | Santa Rosa, CA 95404  
Tel. [\(707\) 543-4299](tel:(707)543-4299) | Mobile [\(707\) 687-8806](tel:(707)687-8806) | [dguhin@srcity.org](mailto:dguhin@srcity.org)

Sent from my iPhone

Begin forwarded message:

**From:** Sonia Taylor <[great6@sonic.net](mailto:great6@sonic.net)>  
**Date:** July 9, 2017 at 9:31:38 AM PDT  
**To:** "Guhin, David" <[dguhin@srcity.org](mailto:dguhin@srcity.org)>  
**Subject:** Re: Draft Cannabis Ordinance  
**Reply-To:** <[great6@sonic.net](mailto:great6@sonic.net)>

Finally reading it for light Sunday morning amusement. Typo on page 24 of the pdf -- 20-46.050 -- second sentence -- Medial vs. Medical.

Other comments/questions:

1. Not happy about outdoor growing of cannabis in residential neighborhoods. We've got someone growing in our neighborhood, and everything stinks every night. I realize there's nothing to be done given the Council, but still am unhappy about it.
2. In 20-46.050, E.4, why no access to keys through a lock box for police? I'm sure they could get it from the Fire Department, but would cause a delay. Not

sure why they'd need to get in, but also not sure they wouldn't need access, too. Or, do police require other legal procedures to access a site?

3. In 20-46.050, G.5, would like to see "...non-residential door locks AND window locks." I'm pretty sure you all intend that all windows and doors have adequate locks to slow down break in possibilities, and use of the word "and" would clarify that.

4. In 20-46.050 G.6, relating back to #2, above, are there no police requirements for emergency access?

5. In 20-46.050, H, would prefer deletion of the word "readily," i.e., "...the odors of Medical Cannabis cannot be detected...." Readily is a term that is meaningless. It is possible to prevent odors outside of structures, period. Any other standard is unacceptable.

6. In 20-46.070, curious why there is a reference to the federal Food, Drug and Cosmetic Act with regard to extraction processes, but not in the portions of this section that relate to edible cannabis. Of course I realize that cannabis is illegal under federal law, and that state law may completely cover and even be more stringent than federal law with regard to edible products, but I've encountered a number of cannabis "manufacturers" who are unaware that there are federal laws about manufacturing food products. Just asking the question.

7. In 20.46.080 B., I'm unclear as to whether delivery services are only related to cannabis associated with retail sales of cannabis. What about delivery services from one cannabis business to another (i.e., cultivator to manufacturer)? The definition provided in Section 6 indicates that delivery between business operations is "distribution," but there appear to be no regulations covering said distribution. Why not? Unless there are explicit regulations at the state level that cover all of the City's concerns (and that the City is confident won't be changed), this seems to be an oversight. ???

8. In 20.46.080 D., while I appreciate the location restrictions for retail cannabis operations, I would request, again, that there be similar location restrictions for all other cannabis businesses. As I've been saying for well over a year (and has been borne out in the real world), certain industrial areas of town are well on their way to becoming hubs for cannabis cultivation, etc., to the exclusion of other industrial businesses. Property owners have jacked sale and rental prices through the roof, because they want to make a killing selling/renting to cannabis business (as any business person would), which is having the effect of driving other businesses necessary for a healthy economy out of town.

I realize that Santa Rosa can "only" go on the permit applications filed (unless they were to actually pay attention to the existing illegal operations), and that so far no one feels that this is a problem, but I disagree, and believe it is only going to get worse. Ignoring it now, in this comprehensive set of regulations, ensures that it will NOT be addressed in the future.

9. In 20.46-100 A., I'm guessing that you should end this subparagraph with the word "or" (as the other subparagraphs do) because it seems that that intent is that



any one of these things could cause the "modification, discontinuance or revocation" of a permit. ??

Looking forward to your explaining what I don't understand (no doubt).

Thanks!

Sonia

Sonia Taylor  
707-579-8875  
[great6@sonic.net](mailto:great6@sonic.net)

April 3, 2017

Terry A. Darcy  
920 Stevenson Street  
Santa Rosa, CA 95404

Re: Distance Between Dispensaries

Dear City of Santa Rosa Medical Cannabis Policy Subcommittee Members and Staff:

There has been much discussion regarding the appropriate buffers between Medical Cannabis Dispensaries in Santa Rosa. It is my belief that with a simple 1,000 foot buffer in place, the regulations would be unduly restrictive. It would therefore be my request that you consider adoption of the following language or something similar, which I hereby submit for your consideration:

1. Establish buffer zones at 250 feet for dispensaries along Santa Rosa Avenue and other Regional/Transitional streets (i.e. Parkways, Boulevards, Avenues, and Major Streets), and 500 feet along remaining Local streets of the city, with a maximum of no more than two dispensaries allowed to operate within a 1,000 foot radius.
2. Allow dispensaries to be approved at locations close to the City jurisdictional borders regardless of the distance between other dispensaries approved in neighboring County jurisdictions.

Sincerely,

  
Terry Darcy

## Olivares, Maryanna

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**From:** Trippel, Andrew  
**Sent:** Monday, May 01, 2017 2:09 PM  
**To:** alexa@lumacalifornia.com  
**Subject:** RE: Medical Cannabis Delivery Companies in Santa Rosa!

Hi Ms. Garcia,

Thank you for your email. I understand that you are writing to "support the council and staff being open to accepting mobile-dispensary license applications from those of us delivery companies operating without a brick and mortar storefront." I will forward your email to the Policy Subcommittee so that they are aware of your support for a policy whereby Medical Cannabis mobile-dispensaries support uses would not require a brick and mortar storefront to operate and can share your email with others as appropriate. Because City policy must comply with State law, it would require that the State change its requirements for mobile-dispensary support uses. The Medical Cannabis Policy Subcommittee is aware that this is an important issue for many future operators and will continue to monitor policy development at the State level for this and other changes.

Best Regards,

Andrew

### Andrew Trippel | City Planner

Planning & Economic Development | 100 Santa Rosa Ave Rm 3 | Santa Rosa, CA 95404  
Tel. (707) 543-3223 | Fax (707) 543-3269 | atrippel@srcity.org



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**From:** Alexa Garcia [<mailto:alexa@lumacalifornia.com>]  
**Sent:** Friday, March 24, 2017 4:48 PM  
**To:** \_CityCouncilListPublic <[citycouncil@srcity.org](mailto:citycouncil@srcity.org)>  
**Subject:** Medical Cannabis Delivery Companies in Santa Rosa!

City Council-

Happy Friday! I just wanted to drop a quick note regarding Santa Rosa's policy for dispensaries and delivery companies. I am CEO and co-founder of [Luma California](#), a medical delivery service and boutique medical cultivators in the county.

I am writing to support the council and staff being open to accepting mobile-dispensary license applications from those of us delivery companies operating without a brick and mortar storefront. Our current cultivation lease is up on Apr 31 and we have to close down our Rural Residential grow in the county and relocate our delivery office. We'd like to move it to Santa Rosa and get a delivery license within the city. Right now none of the storefronts to my knowledge have active delivery companies yet we are willing and ready to fill that void!

We have a possible warehouse building already that would be perfect to operate a delivery company without a physical storefront. I would like to move forward with negotiations with the landlord but not sure how the city would approach this. Although the state does not have a delivery license in place, yet, there are many pieces of legislation that are working on getting this type of license added. I would encourage the city to be leaders in this (as you already have for this industry) and allow for some deliveries without a storefront with anticipation that the state will add this license type soon.

We currently deliver to the entire Sonoma County area. We have many patients that rely on us for their deliveries, both sick and elderly, and I would hope the city could work with us on something- even though we are not attached to a physical dispensary. Please feel free to check out



our website here- [www.LumaCalifornia.com](http://www.LumaCalifornia.com) so you can see how we operate :) I would love to discuss something further if possible. Thank you for your guidance and leadership in this matter!

Cheers,  
Alexa

--  
Alexa Garcia, CEO  
512.826.0462 (c)  
707.658.2383 (o)  
LumaCalifornia.com  
@LumaCalifornia

November 9, 2017

Santa Rosa City Council  
Mayor Coursey  
Vice Mayor Tibbetts  
Council Member Combs  
Council Member Olivares  
Council Member Rogers  
Council Member Sawyer  
Council Member Schwedhelm

Santa Rosa Planning Commission  
Chair Cisco  
Vice Chair Edmonson  
Commissioner Duggan  
Commissioner Groninga  
Commissioner Peterson  
Commissioner Rumble  
Commissioner Weeks

Honorable Mayor, Vice Mayor, Council Members, and Commissioners-

We write, first, to thank you, your staff, and emergency responders for the herculean efforts you displayed in saving our City from the ravages of the October wildfires. As constituents, residents, and business owners, we have been awed by the leadership you displayed in facing the destruction that leveled homes, businesses, farms and gardens throughout our community. We look forward to working together as we all, communally, seek to rebuild.

Collectively, our offices and companies represent dozens of projects pending in the City's planning department. As may be evident by the signatures, below, we represent many of the area's cannabis businesses, who seek, even now, following the devastating impacts to the industry from the fires, to contribute to Santa Rosa's economic recovery. Many of the clients we represent have had projects submitted to the Planning Department for months- well in advance of the crisis and rebuilding we now face.

Over the summer, we were made aware that the internal priorities of the Department moved cannabis to the back of the line. As just one example, a project which was considered final in July has been informed that a hearing will not be available until January, at the earliest, due to staffing shortages and department priorities.

Many projects have also experienced serious delays and issues in the Building Department phase. Although cannabis may be new to staff, it is not all that different from other industrial uses, yet adding "cannabis" to the project description creates significant review issues. In one example, a manufacturing project was subject to over 140 plan check comments during more than six months of Building Department review. Given that this project is for nonvolatile manufacturing in a few thousand square foot structure, the building permit process was taxing. Luckily, this project will be starting construction in the coming days. However, the long timeline for obtaining building permits, even before the devastating fires, highlights increased scrutiny and lengthy delays simply because the manufacturing includes cannabis."

Following the fires, emergency rebuilding is, understandably, of highest concern. We are, however, concerned that cannabis projects, including those which have been awaiting final review, will be further de-prioritized. We write to encourage the Council and Commission to re-affirm your commitment to the cannabis industry, and the millions of dollars of economic value and rebuilding capacity represented by the jobs and sales tax revenue created by each project.

As the City rebuilds, our residents need homes. We trust the Council, Commission, staff, and hundreds of dedicated architects, designers, contractors, and construction teams will serve our community wonderfully in that endeavor. However, equally important are the jobs required to continue paying the

November 8, 2017

City of Santa Rosa  
Planning Commission  
City Hall, Council Chamber  
100 Santa Rosa Ave  
Santa Rosa, CA

Chair and Members of the Commission,

RE: Meeting Agenda November 9, 2017;  
Agenda Item #8.3 Cannabis Resolution

I am the founder of HERBL Distribution Solutions, a cannabis distribution company that is currently applying for a permit to operate in the City. My background is in natural foods distribution as the President of United National Foods Inc, the largest natural/organic food distributor in the US, for over 10 years. Our foremost priority is to secure an adult use locally permitted facility to headquarter our operations before January 1, 2018. After investigating a variety of local jurisdictions throughout the State, we have decided to base our company in Santa Rosa, due to the City's reasonable tax rate, zoning ordinance, and overall business friendly environment.

We recommend your Commission take the following action today:

- 1. Recommend that the City Council authorize allocation of new revenue from cannabis permitting processing fees and taxes specifically to the Planning and Economic Development Department Cannabis Program, in the form of staff allocations or one-time monies;**
- 2. Allow commercial adult use distribution and apply the same locational and operational regulations as medical cannabis support businesses (Page 20 of Staff Report).**

#### **Allocate resources to Planning & Economic Development Cannabis Program**

We have been extremely impressed with the responsiveness and expertise of the City's Planning & Economic Development Department staff. Even in the context of rapidly changing regulations from the State, in our experience, staff are well informed of State wide developments, and receptive to our feedback. The open communication with staff throughout the application process has reaffirmed HERBL's desire to headquarter our operations in Santa Rosa.

However, we are acutely aware that Planning staff are overtaxed, especially after the tragic fire. Existing staff have been inundated with emergency and recovery efforts, and unable to process pending cannabis applications in a timely manner. It is critical that the Commission and Council allocate additional resources to the department. I cannot overstate the critical importance of securing local permits as quickly as possible. The State is adhering to its original timeline of accepting commercial applications January 1, 2018 and will enforce upon operators who do not have local approvals. Please provide the Planning Department with the resources they need to continue to support and cultivate a thriving cannabis industry in the City of Santa Rosa.



## **Allow commercial adult use distribution and apply the same requirements as medical**

We are highly concerned that the City may not adopt a cannabis adult use policy before the end of the year. It is imperative to our success and business model to secure an adult use license before January 1, 2018. Without a local adult use license in 2017, we will be precluded from:

1. Applying for an adult use Temporary State license on January 1, 2018;
2. Continuing to operate while our adult use Temporary State license is pending;
3. Providing services to other licensed adult use businesses; and
4. Meeting increasing adult use consumer demands.

## **Applying for an adult use Temporary State license on January 1, 2018**

The State recently announced it is requiring all existing operators to apply for Temporary State Licenses on January 1, 2018. Applications will be made available online in December. Local authorization is *required* to apply for a Temporary State License. If HERBL cannot secure an adult use specific local authorization from the City of Santa Rosa before January 1, 2018, we will be precluded from doing business with other adult use licensed operators in the supply chain, and restricted to doing business with only other medically licensed operators.

## **Continuing to operate while our State license is pending**

It is critical that local adult use authorization occurs before the end of this year. Draft State regulations require commercial cannabis operators to be operational by January 2, 2018, or else they must wait until they receive a State license to operate. In other words, if we do not have an adult use local approval by the end of the year, we cannot continue to operate while our State application is pending. This is problematic because the State may take many months to approve State applications. There is already a demand for adult use licensed distribution services, and this will only increase as we approach 2018.

### ***§ 5018. Requirements for Continued Operation While Application Pending***

*All applicants that were in operation prior to January 2, 2018, may continue to operate while their application is pending if a completed application is received by the bureau no later than 5:00 p.m. Pacific Time on July 2, 2018, and the continuing operations are the same commercial cannabis activity as the license type for which the applicant is applying. If the application for licensure is denied, the applicant shall cease all commercial cannabis business operations until a license is obtained.*

## **Providing services to other licensed adult use businesses**

HERBL will not be a successful and profitable business without the ability to serve adult use businesses. In other words, if HERBL only has a local medical permit, we cannot provide services to other adult use cultivators, manufacturers or retail outlets, as an example. Since the transportation license fell out in SB 94 (Budget Trailer), a distribution license is needed to transport product between licensees. Furthermore, distribution is tasked with testing, packaging and labeling quality control and assurance. *In other words, licensed distributors are a vital piece of the new supply chain, and are critical to getting product to market.* The supply chain will not easily make distinctions between “medical” and “adult use” until retail.

## Meeting increasing adult use consumer demands

Adult use consumption is currently legal. There is an increasing demand for tested and compliant adult use cannabis, which will only intensify as adult use commercial businesses are permitted in 2018. The medical market is anticipated to be eclipsed by the growth of the adult use market – estimated at multi-billion dollars – as we have seen in Colorado, Washington and Oregon. It is critical that local businesses have the flexibility to meet consumer demands. Medical businesses will struggle to be profitable without an adult use license.

Lastly, we believe that the City will not be able to sustain long-term investment from the cannabis industry without timely adoption of an adult use policy. The associated revenue opportunities will be significantly less if there is no adult use pathway. Limiting the cannabis policy to medical – even in the short term – will limit the attractiveness of the City for operators, as they will be limited to participating in the medical market, during a critical time to become established as an adult use business. Cannabis industry leaders are eager for opportunities to secure adult use licenses now.

Is it also important to note that there is currently pending clean-up State legislation to clarify the allowance of co-location of medical and adult use licenses. This is because the supply chain is not deterministic as to whether the product is “adult use” or “medical,” except at point of sale.

In conclusion, we are excited to operate in the City of Santa Rosa and urge your committee to take swift action to support our early success and entrance into the market.

Thank you for your consideration,

*Michael Beaudry*

Michael Beaudry  
CEO, HERBL

CC:

Clare Hartman, Deputy Director Planning  
David Guhin, Director of Planning and Economic Development

To: Santa Rosa Planning Commission  
From: Charles Evans  
Date: November 9, 2017

Re: Interpretation of 'Abutting' a Residential District or Use  
Medical Cannabis FAQ's Document

Paragraph A of the Medical Cannabis FAQ's Document discusses the interpretation of the term 'Abutting' in the context of parcels on Piner Road 'abutting' residentially zoned parcels on the south side of Russell Creek. Russell Creek is a separate parcel, owned by the Sonoma County Water Agency, and there is no access from one side of the parcel to the other. I have attached this page of the FAQ for reference.

While my specific interest is in the 900 block of Piner Road, I believe the same issues are present in both the 900 block and the 1600 block cited in the FAQ.

The FAQ document addresses a parcel 1626 Piner Road, and takes the position that the edge of the industrial zoning designation occurs in the middle of the Russell Creek parcel, where it abuts a Residential Zoning district. This is factually incorrect. The zoning designation line is on the south side of the Russell Creek parcel, making that entire Russell Creek parcel within the IL zoning district. The blue line in the middle of the creek identifies the creek itself, not the zoning district line.

The issue concerning the zoning on an adjacent parcel comes into play when determining whether a Minor Use Permit or a Major Use Permit is required when processing certain applications.

I have attached the City's own graphics showing the IL General Plan Designation, The IL Zoning Designation and the previous Piner PC Zoning Districts for this area.

All three indicate that the parcel owned by the Sonoma County Water Agency that includes Russell Creek is entirely within the IL General Plan Designation, and the IL Zoning Designation. There is no support or evidence in the administrative record that the zoning designation line meet at the creek parcel centerline.



## “Abutting” a Residential Zoning District or Use

Per the City’s Interim Zoning Code Interpretation for Medical Cannabis Support Uses, some uses such as manufacturing require a *Minor Use Permit (MUP) if the “use, specific suite, or its associated operations abuts a residential zoning district or parcel with a residential use.”* The term “abut” is defined in the Zoning Code glossary as *“having property lines, street lines, or zoning district lines in common.”* Here are three recent examples of sites reviewed and determined to require a MUP per this provision:

- A. 1626 Piner Road. MUP required for medical cannabis processing/manufacturing (type 6).** The parcel backs up to Russell Creek and residentially zoned properties are across the creek. The creek is a separate parcel owned by the Sonoma County Water Agency; however, the IL and PD 0144 *zoning district lines* extend to and meet at the creek parcel centerline.



- B. 180 Chestnut Street. MUP required for medical cannabis processing/manufacturing (type 6).** The parcel *shares a property line* with a parcel with a residential use.



- C. 3620 Airway Drive. MUP required for medical cannabis processing/manufacturing (type 6).** Although the immediate area is entirely within the IL (light industrial) zoning district, including the housing across the street, the parcel *shares a street line* with a parcel with a residential use.





AIRWAY

PINER ROAD

BICE

CLEVELAND

IL General Plan  
Designation at South  
Side of Russell Creek  
Parcel

