
Review of Interim Cannabis Land Use Zoning: LIL
Update on Cannabis Business Permitting and Vacancy Rates
State Regulation Update
City Comprehensive Policy Update

Medical Cannabis
Subcommittee

May 25, 2017

EXISTING/INTERIM - MEDICAL CANNABIS LAND USE POLICY

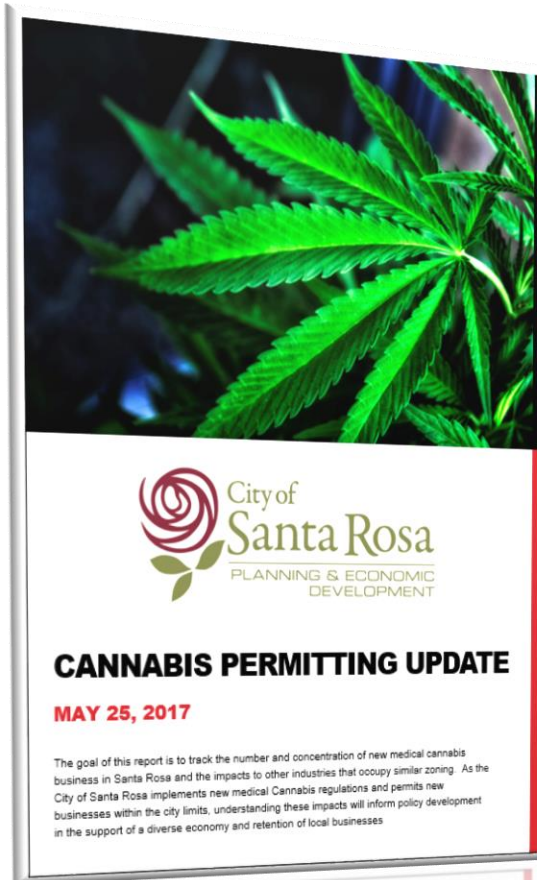
MCRSA (State Law)		CITY OF SANTA ROSA (City Code)												
MEDICAL CANNABIS USES & STATE LICENSE TYPES		LAND USE CLASSIFICATIONS	ALLOWED LAND USES AND PERMIT REQUIREMENTS BY ZONING DISTRICT:											
			RESIDENTIAL	COMMERICAL							INDUSTRIAL			
			<i>all</i>	CO	CN	CG	CV	CD	CSC	TV-M	BP	IL	IG	LIL
														<i>Specific Use Regulations</i>
DISPENSARIES														
Dispensary - General	10	Medical Cannabis Dispensary	--	AR	AR	AR	AR	--	AR	AR	AR	AR	AR	<i>City Code 10-40</i> <i>Provides locational and operational requirements; annual renewal required; no new dispensaries are being considered at this time.</i>
Dispensary – no more than 3 retail sites	10A	Medical Cannabis Dispensary	--	AR	AR	AR	AR	--	AR	AR	AR	AR	AR	
CULTIVATION														
Cultivation – Personal	<i>exempt</i>	Medical Cannabis Personal Cultivation	<i>as allowed by state law</i>											
Cultivation – Nursery (wholesale)	4	<i>To be determined</i>	--	--	--	--	--	--	--	--	--	--	--	<i>City Code 20-46</i> <i>Allows indoor, outdoor and mixed light (greenhouse) commercial cultivation for medical cannabis only; defines permit process and review authority</i>
Cultivation – Cottage (25 plants, 500sf, 2,500sf)	1C	Medical Cannabis Commercial Cultivation	--	--	--	--	--	--	--	--	--	MUP*	MUP*	MUP*
Cultivation – Indoor, Outdoor, or Mixed-Light (2,501-10,000sf)	1, 1A, 1B, 2, 2A, 2B	Medical Cannabis Commercial Cultivation	--	--	--	--	--	--	--	--	--	MUP*	MUP*	MUP*
Cultivation – Indoor, Outdoor, or Mixed-Light (10,001sf or greater)	3, 3A, 3B	Medical Cannabis Commercial Cultivation	--	--	--	--	--	--	--	--	--	CUP	CUP	CUP
SUPPORT USES														
Distributor	11	Warehouse, Wholesaling and Distribution	--	--	--	--	--	--	--	--	MUP (4)	P (3)	P (3)	--
Manufacturer – Level 1 (non-volatile)	6	Manufacturing/Processing – Light	--	--	--	--	--	--	--	--	P (3)	P (3)	P (3)	--
Manufacturer - Level 2 (volatile)	7	<i>To be determined</i>	--	--	--	--	--	--	--	--	--	--	--	--
Testing/Laboratory	8	Laboratory – Medical, Analytical	--	MUP	--	--	--	--	--	--	P	P	--	--
Transporter	12	Truck or Freight Terminal	--	--	--	--	--	--	--	--	--	MUP	MUP (3)	--

[Srcity.org/cannabis](http://srcity.org/cannabis)
Final Zoning Code Interpretation; relates cannabis support uses to existing land use classifications and their corresponding permit requirements; standard conditions as noted within the Interpretation apply

Permitting and Vacancy Rate Update

Highlights

- Current Approved Medical Cannabis accounts for 2.7% of Industrial space
- An additional 4.5% of space is being reviewed.
- Current Industrial vacancy rate is 5%
- 16 approved medical cannabis land use permits (2 currently in operation)
- 19 pending medical cannabis pre-applications or applications submitted



Report will posted at:
www.srcity.org/cannabis

Permitting and Vacancy Rate

Chart 1:
Top 20 Business Types
in Zoning Allowed for Commerical Medical
Cannabis Businesses
(count of business licences)

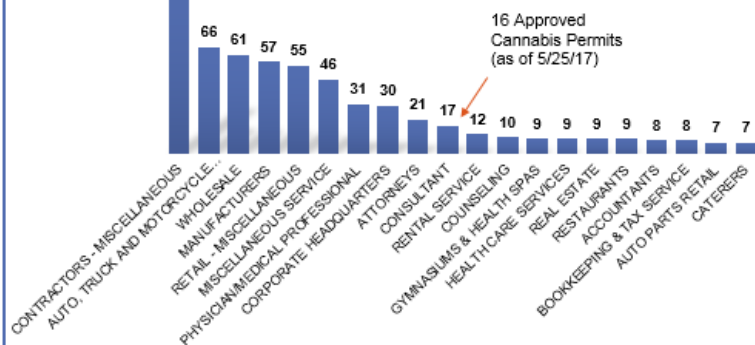


Chart 2:
Vacancy Rates in Industrial Zoning

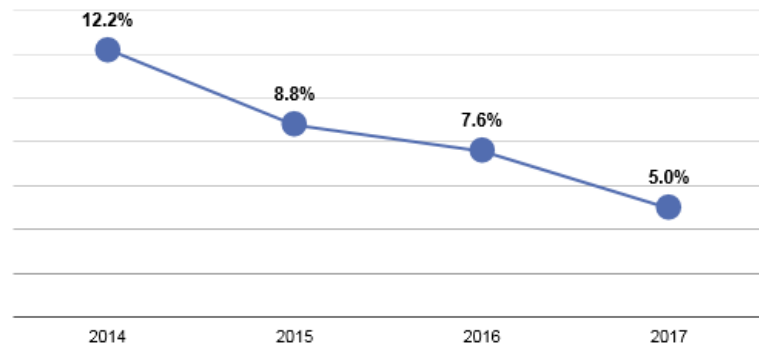


CHART 3:
MEDICAL CANNABIS BUILDING SQ. FT
BY TYPE

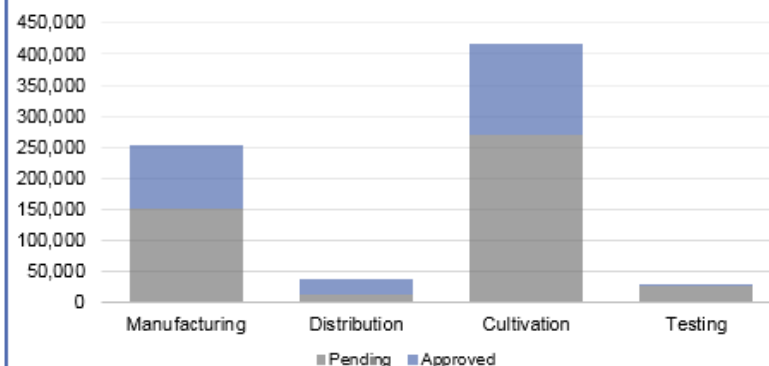
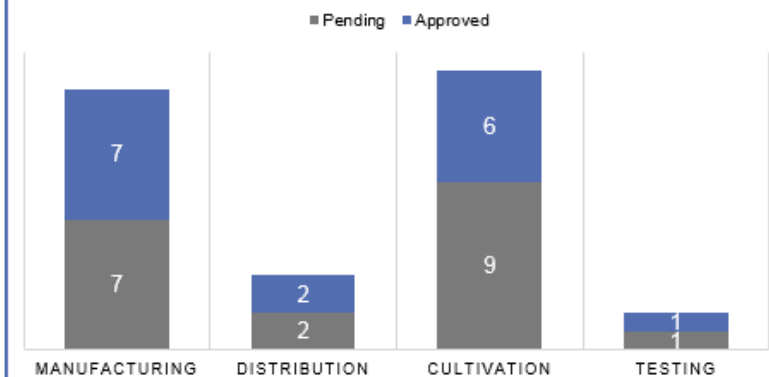


CHART 4:
MEDICAL CANNABIS APPLICATIONS
BY TYPE



Methods to Address Increase in Cannabis Business Activity

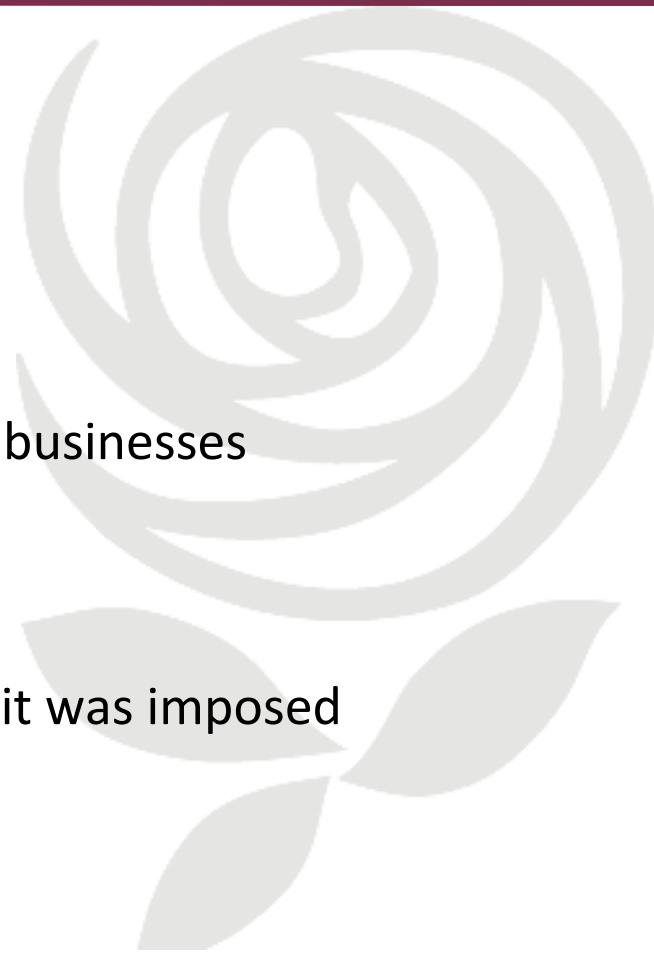
Market Forces

- Pros:
 - allows the market to adjust as industry evolves
 - Changes in laws and permitting in other cities/counties could provide relief to the demand over time
- Cons:
 - Unpredictable
 - Dramatic increase in price affecting other industries and available space
 - Potential bubble as industry dramatically changes

Methods to Address Increase in Cannabis Business Activity

Regulatory Control

- Pros:
 - Provides a clear limit on industry
 - Potential to limit the displacement of other businesses
- Cons:
 - Unknown impact to prices and market if limit was imposed



State Regulation Update

Licensing Oversight – Draft Regulations

- Bureau of Marijuana Control
- Department of Food and Agriculture
- Department of Public Health

45 day comment Period underway

Regulatory Oversight

- Department of Pesticide Regulation
- State Water Board
- County Health/Ag



CA Bureau of Marijuana Control

Regulation oversight:

Licensing and operation of medical cannabis distributors, transporters, testing laboratories and dispensaries

Highlights:

- Definition of ownership
- Priority application processing
- Definition of premises
- Continued operation during application review
- Hours of operation for dispensaries
- Delivery content restrictions



CA Department of Food and Agriculture

Regulation oversight:

Licensing and operation of medical cannabis cultivation and track and trace

Highlights:

- Application requirements
- New Processor license
- Definition of canopy
- Multi-tenant cultivation allowance
- Environmental protections and requirements
- Delivery content restrictions
- Track and trace information



Regulation oversight:

Licensing and operation of medical cannabis manufacturing

Highlights:

- New license Types – Type P and Type N
- Clarification of Type 6 and Type 7 allowances
- License Constraints
- Application requirements
- Continued operation during application review
- Permissible extraction methods
- THC caps, Uniform distribution and prohibited products
- Labeling restrictions

Governor Budget Trailer Bill

Proposed repeal of the Medical Cannabis Regulatory and Safety Act (MCRSA) and conforming revisions to the Adult Use of Marijuana Act (AUMA).

If it passes, the draft regulations will be repealed and new regulations will be issued on an emergency basis , likely in August.

Any comments received by the State Agencies, will be incorporated into the final regulations in either case.

Santa Rosa Medical Cannabis Comprehensive Policy Update

www.srcity.org/cannabis

