

**MEETING DATE: 2/8/2017**

**TITLE:**

**Amend Cathedral City Municipal Code Chapters 9.108, 9.26, 9.28, 9.30, 9.36, 9.40 and 9.42 Related to Medical Cannabis (ZOA 16-003).**

**FROM:**

Pat Milos, Community Development Director

**RECOMMENDATION:**

Staff recommends the City Council approve the associated exemption to the California Environmental Quality Act (CEQA) pursuant to section 15601(b)(3) of the CEQA Guidelines; and waive further reading, read by title only and introduce for first reading an Ordinance adopting Zone Ordinance Amendment No. 16-003.

**BACKGROUND:**

At its meeting on August 24, 2016, the City Council held a work study session on further amendments to the City's ordinances regulating Medical Cannabis Businesses, including the Zoning Ordinance. Specifically, the Council considered whether to allow medical cannabis testing laboratories and medical cannabis transportation and distribution sites. The direction from the City Council was to allow testing laboratories by right (i.e. without a Conditional Use Permit) in those zones where similar laboratories are permitted. The direction from the City Council as to transportation and distribution sites was to allow those uses with a Conditional Use Permit from the Planning Commission in similar zones to where cultivation and manufacturing are currently conditionally permitted. In addition, the City Council had given direction to amend the CBP-2 zone to include Manufacturing Sites as conditionally permitted in that zone.

The City's special legal counsel with respect to medical cannabis issues, Vicente Sederberg, prepared the proposed ordinance implementing the direction received from the City Council.

On December 7, 2016, the Planning Commission held a public hearing on the draft ordinance, but had questions that staff was unable to answer. The Commission continued the hearing to January 18, 2017, and staff arranged to have Mr. Jordan Wellington from Vicente Sederberg attend the continued hearing to answer the Commission's questions.

At the January 18th meeting, the Planning Commission recommended approval of the amendments

and made some suggestions regarding the cannabis ordinances in general, which are not a part of the ordinance under consideration tonight, but are attached for Council and will also be provided to the Cannabis Task Force for their review.

### **DISCUSSION:**

The proposed ordinance amends the Zoning Code to allow "testing laboratories" by right in the PPO (Planned Professional Office), PLC (Planned Limited Commercial), and NBP (Neighborhood Business Park) Districts. These zones allow medical and dental laboratories and/or clinics by right. A testing laboratory is defined in the Ordinance by reference to the definition in the State Law, which defines a testing laboratory as "the premises where tests are performed on medical cannabis or medical cannabis products and it holds a valid certificate of accreditation." The certificate of accreditation must come from a nonprofit organization that requires conformance to ISO/IEC 17025 requirements and is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement for Testing.

The proposed ordinance also amends the Zoning Ordinance to allow "distribution sites" and "transportation sites" with a conditional use permit in the I-1 (Light Industrial), CBP-2 (Commercial Business Park), and PCC (Planned Community Commercial) Districts. Distribution and Transportation Sites will be subject to the same setback requirements from residential, East Palm Canyon Drive, and youth centers, day cares and schools as apply to cultivation and manufacturing sites.

A "distribution site" is a facility where medical cannabis is stored or inspected by a "distributor" (a person licensed to engage in the business of purchasing medical cannabis from a licensed cultivator, or medical cannabis products from a licensed manufacturer, for sale to a licensed dispensary) for the purposes of "distribution" (the procurement, sale, and transport of medical cannabis and medical cannabis products between licensed entities). In essence, a distribution site is a warehouse where items purchased at wholesale by the distributor are held prior to delivery to the dispensary that will sell the items at retail.

A "transportation site" is a facility where a "transporter" conducts business while not engaged in transport, or a facility where equipment used in transport is stored when not in use. A "transporter" is defined in the State law as a person who holds a license to transport medical cannabis or medical cannabis products about a certain amount (TBD) between licensees. Thus, a transportation site is a place where vehicles and other equipment are kept when not in use transporting medical cannabis. Neither the State nor the City Council have set an amount of medical cannabis that may be transported by a person or other licensed medical cannabis business without being considered a "transporter." Those amounts will be set through revisions to the licensing regulations.

In addition, the proposed ordinance adds manufacturing sites to the list of conditionally permitted uses in the CBP-2 zone and makes other clean up revisions to the Zoning Code. In particular, the

ordinance changes all references to the Medical Marijuana Regulation and Safety Act, or MMRSA, to the Medical Cannabis Regulation and Safety Act, or MCRSA, consistent with revisions to State law that occurred after the adoption of the City's medical cannabis ordinances. Also, many of the citations to the MCRSA in the definitions needed to be revised to reflect renumbering that occurred after the City adopted its ordinances.

**FISCAL IMPACT:**

There are no direct fiscal impacts related to this action

**ATTACHMENTS:**

1. Planning Commission Resolution
2. Exhibit "A": Proposed Ordinance
3. Memo on Testing, Distribution and Transportation
4. Public Hearing Notice
5. Planning Commission Recommendations for Cannabis Ordinance Amendment