



CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and City Council **DATE:** July 1, 2019

FROM: Matthew Bronson, City Manager

PREPARED BY: David Hale, City Attorney
Bruce Buckingham, Community Development Director
John Peters, Police Chief
Steve Lieberman, Five Cities Fire Chief

SUBJECT: Introduction and First Reading of Ordinances to Amend Articles IX and III of the Grover Beach Municipal Code and Approve a Local Coastal Program Amendment for Commercial Cannabis Regulations

RECOMMENDATION

- 1) Conduct first reading, by title only, and introduce the Ordinance amending Article IX of the Grover Beach Municipal Code to revise commercial cannabis development standards; and
 - 2) Conduct first reading, by title only, and introduce the Ordinance amending Article III Chapter 18 of the Grover Beach Municipal Code to revise the Commercial Cannabis Permit process and definitions for cannabis accessories; and
 - 3) Schedule second reading and adoption of the Ordinances and adoption of a Resolution approving a Local Coastal Program Amendment at the next regularly scheduled City Council meeting.
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BACKGROUND

In 2017, the City Council adopted a land use and regulatory ordinance to allow commercial cannabis uses in the City which have since been amended several times to address industry trends and changes to State law. On May 20, 2019, the Council directed staff to make two revisions to the commercial cannabis land use ordinance for the Commission to consider as follows:

- Revise Section 4.10.045.G.1 to increase the hours of operations for retailers and microbusiness with retailer uses to be open to the public from 7:00 a.m. to 9:00 p.m. subject to certain findings, which would revise the current operating hours of 9:00 a.m. to 7:00 p.m.
- Revise Sections 4.10.045.G.5 to provide a definition of a secured delivery area.

In addition, the Council directed staff to amend the regulatory ordinance to revise the following:

- Standardize the Commercial Cannabis Permit process to allow the City Manager to approve all permits rather than requiring the Council to approve volatile manufacturing permits and the City Manager approve the other types of commercial cannabis uses.
- Revise the sale of cannabis accessories to be consistent with State law.

Staff has drafted the proposed land use ordinance amendments to allow for the extended hours of operations subject to the finding that the applicant participate in the City's operated security system with camera and video capability and to provide definitions for internal and external delivery areas (reference Attachment 1). Staff has also included language to clarify the hours for commercial transport between licensees and deliveries to customers which coincide with the hours of operations. In addition, the regulatory ordinance has been amended to provide for definitions of internal and external secured delivery areas and revised the cannabis accessory definitions to be consistent with State law (reference Attachment 2).

Council also indicated that the following revisions should be made to the Fire and Life Safety Requirements:

- Require the CIH be present during the annual permit renewal inspections.
- Allow the use of a licensed engineer, such as an electrical or mechanical engineer, in addition to a CIH for expanded applicant flexibility.

Staff has incorporated the above revisions into the Fire and Life Safety Requirements (reference Attachment 3). If the revisions are acceptable as drafted, staff will provide a resolution incorporating the revisions at the July 15, 2019 Council meeting on the consent agenda.

Planning Commission Recommendation on Land Use Ordinance

On June 26, 2019, the Planning Commission reviewed the draft land use ordinance amendment and recommended on a 3-0 vote (Commissioners Holden and McLaughlin absent) that the Council approve the ordinance amendment and Local Coastal Program Amendment. Based on the June 26 hearing date, the meeting minutes are not available but there was limited Commission discussion as they were supportive of the amendments.

Local Coastal Program Amendment

The ordinance would amend Chapter 4 of the Development Code (Article IX of the Municipal Code). Development Code Section 1.20.060 identifies all chapters and sections that constitute the ordinances for the implementation of the City's Local Coastal Program (LCP) in compliance with the California Coastal Act. Therefore, any amendment to Chapter 4 of the Development Code requires a LCP Amendment. A LCP Amendment requires the Coastal Commission's approval prior to the ordinance taking effect.

Staff has reviewed the proposed LCP Amendment with the policies in Chapter 3 of the Coastal Act and has determined that the ordinance would have no effect on public access, recreation, environmentally sensitive habitat areas, or other coastal resources. The Coastal Industrial and Coastal Industrial Commercial Zones are isolated from the beach and direct access is impaired by the railroad tracks. The proposed ordinance makes minor revisions to the commercial cannabis development standards and would not change the kind, location, intensity, or density of the uses. The ordinance is consistent with the existing policies of the LCP that allows commercial cannabis uses in the Coastal Industrial (CIC) and Coastal Industrial Commercial (CIC) Zones and is internally consistent with the current Development Code.

Staff has contacted Coastal Commission staff regarding the proposed LCP Amendment and they have not expressed any concerns regarding the proposed amendment. Upon final adoption of the ordinance by the Council, staff would forward the LCP Amendment to the Coastal Commission for review.

Environmental Review

The proposed amendment is exempt from the California Environmental Quality Act (CEQA) Guidelines Section 15061 based on the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it can be seen

with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The proposed amendment would not expand the types of uses allowed, or result in an increase in potential development.

FISCAL IMPACT

The proposed ordinance will have no fiscal impact.

ALTERNATIVES

The City Council has the following alternatives to consider:

1. Conduct first reading, by title only, and introduce the Ordinance amending Article IX of the Grover Beach Municipal Code (Cannabis Land Use Ordinance) to revise commercial cannabis development standards; and
2. Conduct first reading, by title only, and introduce the Ordinance amending Article III Chapter 18 of the Grover Beach Municipal Code (Cannabis Regulatory Ordinance) to revise the Commercial Cannabis Permit process and definitions for cannabis accessories; and
3. Schedule second reading and adoption of the Ordinances and adoption of a Resolution approving a Local Coastal Program Amendment at the next regularly scheduled City Council meeting; or
4. Provide alternative direction to staff.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

ATTACHMENTS

1. Draft Land Use Ordinance Amendment
2. Draft Regulatory Ordinance Amendment
3. Draft Revisions to the Fire and Life Safety Requirements

ORDINANCE NO. 19-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA AMENDING ARTICLE IX SECTION 4.10.045 SUBSECTION G TO REVISE COMMERCIAL CANNABIS DEVELOPMENT STANDARDS

WHEREAS, the City of Grover Beach is a General Law city organized pursuant to Article XI of the California Constitution; and

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

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

WHEREAS, the Federal Controlled Substances Act, 21 U.S.C. Sections 801 et seq. classifies marijuana as a Schedule 1 Drug and makes it unlawful, under federal law, for any person to cultivate, manufacture, distribute, dispense, or possess with intent to manufacture, distribute or dispense, marijuana; and

WHEREAS, the Federal Controlled Substances Act contains no exemption for the cultivation, manufacture, distribution, dispensation or possession of cannabis for medicinal purposes; and

WHEREAS, notwithstanding federal law, in 1996, the voters of the State of California approved Proposition 215 (codified as California Health and Safety Code Section 11362.5 and titled the "Compassionate Use Act of 1996"), the intent of Proposition 215 being to enable persons who are in need of marijuana for medical purposes to be able to obtain and use it without fear of state criminal prosecution under limited, specified circumstances; and

WHEREAS, in 2004, Senate Bill 420 was enacted (codified as California Health and Safety Code Section 11362.7 et seq. and titled the "Medical Marijuana Program Act" to clarify the scope of the Compassionate Use Act of 1996 ("CUA"); and

WHEREAS, the Medical Marijuana Program Act ("MMPA") promulgates rules wherein counties and cities can adopt and enforce rules and regulations consistent with its provisions; and

WHEREAS, in 2011, Assembly Bill 2650 was enacted (codified as California Health and Safety Code Section 11362.768) affirming that counties and cities can under state law adopt ordinances that control and restrict the location and establishment of a medical marijuana cooperative, collective, dispensary, operator, establishment, or provider; and

WHEREAS, In 2015, California enacted three bills – Assembly Bill 243; Assembly Bill 266; and Senate Bill 643 – that collectively established a comprehensive state regulatory framework for the licensing and enforcement of cultivation, manufacturing, retail sales, transportation, storage, delivery, and testing of medicinal cannabis in California. This regulatory scheme was known as the Medical Cannabis Regulation and Safety Act (MCRSA); and

WHEREAS, In November, 2016, Proposition 64 was enacted and entitled “The Adult Use of Marijuana Act” (“AUMA”) (codified as amendments to California Health and Safety Code, Business and Professions Code, Revenue and Taxation Code and Food and Agricultural Code). The intent of Proposition 64 being to establish a comprehensive system to decriminalize, control and regulate the cultivation, processing, manufacturing, distribution, testing, and sale of nonmedical marijuana, including marijuana products, for use by adults 21 years and older, and to tax the commercial growth and retail sale of marijuana, as well as other marijuana related activities; and

WHEREAS, June 27, 2017, the State Legislature adopted the State Budget along with a number of trailer bills including Senate Bill 94 which enacted “The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). This bill repealed MCRSA and included certain provisions of MCRSA in the licensing provisions of AUMA. Under this bill, these consolidated provisions make up the MAUCRSA and includes the regulations for both medical and nonmedical cannabis uses; and

WHEREAS, the California Supreme Court held in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729, 753 (“*Inland Empire*”) that the objectives of the CUA and MMPA were modest and that those acts did not create a broad right to access medical marijuana, and *Inland Empire* goes on to provide that neither the CUA nor the MMPA “expressly or impliedly preempts the authority of California cities and counties, under their traditional land use and police powers, to allow, restrict, limit, or entirely exclude” the distribution of medical marijuana. (Id. At p. 762.); and

WHEREAS, the Court of Appeal, Third Appellate District, held in *James Maral, et al. v. City of Live Oak* (2013) 221 Cal.App.4th 975, that the reasoning of *Inland Empire* applies to the cultivation of medical marijuana as well as its distribution, as both are addressed in the CUA and the MMPA; and

WHEREAS, with limited exceptions, neither the Compassionate Use Act (CUA), the Medical Marijuana Program Act (MMPA), the Medical Cannabis Regulation and Safety Act (MCRSA), the Adult Use of Marijuana Act (AUMA) or the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) require or impose an affirmative duty or mandate upon local governments to allow, authorize or sanction the establishment and the operation of facilities for distribution, cultivation, manufacturing or processing medical or non-medical marijuana within its jurisdiction, and

WHEREAS, notwithstanding the comprehensive nature of both the Adult Use of Marijuana Act and the Medicinal and Adult-Use Cannabis Regulation and Safety Act, both Acts under state law protect the ability of local entities to maintain reasonable control over medical and non-medical marijuana activities; and

WHEREAS, the City Council desires to establish reasonable land use controls and reasonable regulations on the operation of commercial medical and adult use marijuana-related businesses and personal use which are intended to operate in conjunction with the City of Grover Beach Development Code’s land use regulation and which are intended to address the negative impacts and nuisance impacts of marijuana-related businesses and use; and

WHEREAS, commercial Medical and Adult Use marijuana-related businesses and personal use will be subject to the zoning and land use regulations as set forth in Article IX, Development Code, of the City of Grover Beach Municipal Code; and

WHEREAS, mindful of the fact that marijuana possession and use is prohibited under federal law and partially decriminalized under state law, it is the Council’s intention that nothing in this ordinance shall be construed, in anyway, to expand the rights of anyone to use or possess marijuana under state law; engage in any public nuisance; violate federal law, or engage in any activity in relation to the cultivation, distribution, testing or consumption of marijuana that is otherwise illegal. It is further the intent of the City Council of the City of Grover Beach to maintain local control over these matters to the fullest extent permitted by law; and

WHEREAS, the Planning Commission held a public hearing on June 26, 2019 and recommended the City Council approve the Development Code amendment; and

WHEREAS, the City Council held a public hearing on July 1, 2019 and conducted an introduction and first reading to approve the amendments to the commercial cannabis land use and regulatory ordinances.

WHEREAS, the City Council held a public hearing on July 15, 2019 and conducted a second reading to approve the amendments to the commercial cannabis land use and regulatory ordinances.

NOW THEREFORE, BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF GROVER BEACH AS FOLLOWS:

PART 1. Findings of Exemption for the purposes of the California Environmental Quality Act:

The proposed amendment is exempt from the California Environmental Quality Act (CEQA) Guidelines Section 15061 based on the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The proposed amendment would not expand the types of uses allowed, or result in an increase in potential development.

PART 2. Article IX Development Code, Chapter 4 Standards for Specific Development and Land Use, Section 4.10.045 Commercial Cannabis Activity and Use, Subsection G Development Standards is hereby amended as follows:

G. Development standards. Commercial Cannabis Uses shall comply with the following standards:

1. All Retailers and/or Microbusinesses with a retailer use, whether open to the public or delivery only, may be open to the public between the hours of 9:00 a.m. and 7:00 p.m. ~~and make and receive deliveries between the hours of 9:00 a.m. and 9:00 p.m.~~ Extended hours will be approved from 7:00 a.m. to 9:00 p.m. subject to a finding that enhanced security is agreed to and provided by participating in the City’s operated security system with cameras and video capability to view the street frontages of the business to the boundaries of the premises or lot where the business is permitted. All other non-retailer and Microbusinesses with non-retailer uses may operate at any time. ~~but shall only receive deliveries between the hours of 7:00 a.m. and 9:00 p.m.~~

Commercial transport between licensees and deliveries to customers for all commercial cannabis businesses shall be between the hours of 7:00 a.m. and 9:00 p.m.

2. Cultivation and nursery uses shall prepare a Water Recycling Management Plan that demonstrates that irrigation water is recycled to the maximum extent feasible using best management practices. A separate water meter shall be installed for irrigation uses.
3. All cultivation and nursery uses shall be within an enclosed building. Cultivation and nursery uses are prohibited outdoors.
4. Cultivation and nursery uses may use mixed-light buildings when issued a local license consistent with State licensing that allows for mixed-light buildings when no light is visible through the roof and windows of grow areas from dusk to dawn.
5. ~~All delivery areas and loading/unloading areas shall be conducted within a secured area.~~ Secured Delivery. All commercial cannabis facilities shall provide a secured shipping and receiving area for deliveries of all cannabis, cannabis concentrate, and cannabis products as defined in GBMC Article III, Chapter 18, Section 4000.20. A secured shipping and receiving area shall comply with either of the following:
 - a. Internal – Within a fully enclosed structure either attached or within the commercial cannabis building that provides sufficient area to park and unload the delivery vehicle(s) located at the side or rear of the building, if feasible. Access shall be through a roll up or similar garage door with removable bollards. The delivery area shall be monitored 24 hours a day by video surveillance, electronic alarm monitoring, and shall not have any windows leading to the outside. Any skylights shall either be removed or have security bars added to prevent entry. The delivery area shall only be accessible to the shipping and receiving area and not directly into the operating, manufacturing, or retail portions of the commercial cannabis business.
 - b. External – Within a fenced or walled area that is not visible from the street and adjacent properties located at the side or rear of the building as approved by the Police Chief. The fence or wall shall be a minimum of six (6) feet in height that is structurally sound and secure to prevent access and fully encloses the delivery area. The fence shall visually screen the delivery area so delivery activities are not visible from the street and adjacent properties. The fence design shall be consistent with the Industrial Design Guidelines and constructed of durable, solid materials. The fence shall include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress. If a roof or structure is required to screen the shipping and receiving area from adjacent properties, it shall be made of a solid material that will provide full visual screening of the delivery area. This delivery area shall be monitored 24 hours a day by video surveillance and only be accessible to the shipping and receiving area and not directly into the operating, manufacturing, or retail portions of the commercial cannabis business.
6. Odor control devices and techniques shall be incorporated to ensure that marijuana odors are not detectable from the property boundary and public right-of-way. In multi-tenant buildings marijuana odors shall not be detectable from the building exterior, or from exterior and/or interior common areas such as walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. Odor control systems shall include, but are not limited to, ventilation and exhaust systems that provide sufficient odor absorbing to meet the above requirements.

- 7. An Operations and Security Plan shall be prepared as required by Municipal Code Article III Chapter 18.
- 8. Design standards in Section 2.40.050 and any other Council adopted design guidelines.
- 9. All applicable regulatory requirements of Municipal Code Article III Chapter 18.

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

PART 4. All ordinances and parts of ordinances in conflict with those sections amended or added herein are hereby repealed.

PART 5. Effective Date. This Ordinance shall not become effective and in full force and effect until 12:01 a.m. on the thirty first day after its final passage for areas not located within the Coastal Zone. This Ordinance shall not become effective and in full force and effect for areas located within the Coastal Zone until final certification by the California Coastal Commission. However, within fifteen (15) days after adoption by the City Council, the Ordinance shall be published once, together with the names of the Council Members voting thereon, in a newspaper of general circulation within the City.

INTRODUCED at a regular meeting of the City Council held on July 1, 2019 and **PASSED, APPROVED,** and **ADOPTED** by the City Council on July 15, 2019, on the following roll call vote, to wit:

AYES: Council Members -
 NOES: Council Members -
 ABSENT: Council Members -
 ABSTAIN: Council Members -
 RECUSED: Council Members –

**** D R A F T ****

JEFF LEE, MAYOR

Attest:

WENDI SIMS, CITY CLERK

Approved as to Form:

DAVID P. HALE, CITY ATTORNEY

ORDINANCE NO. 19-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA AMENDING CHAPTER 18, ARTICLE III OF THE GROVER BEACH MUNICIPAL CODE TO AMEND SECTIONS 4000.20, 4000.40, 4000.160 AND 4000.200

WHEREAS, the City of Grover Beach is a General Law city organized pursuant to Article XI of the California Constitution; and

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

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

WHEREAS, the Federal Controlled Substances Act, 21 U.S.C. Sections 801 et seq. classifies marijuana as a Schedule 1 Drug and makes it unlawful, under federal law, for any person to cultivate, manufacture, distribute, dispense, or possess with intent to manufacture, distribute or dispense, marijuana; and

WHEREAS, the Federal Controlled Substances Act contains no exemption for the cultivation, manufacture, distribution, dispensation or possession of cannabis for medicinal purposes; and

WHEREAS, notwithstanding federal law, in 1996, the voters of the State of California approved Proposition 215 (codified as California Health and Safety Code Section 11362.5 and titled the "Compassionate Use Act of 1996"), the intent of Proposition 215 being to enable persons who are in need of marijuana for medical purposes to be able to obtain and use it without fear of state criminal prosecution under limited, specified circumstances; and

WHEREAS, in 2004, Senate Bill 420 was enacted (codified as California Health and Safety Code Section 11362.7 et seq. and titled the "Medical Marijuana Program Act" to clarify the scope of the Compassionate Use Act of 1996 ("CUA"); and

WHEREAS, the Medical Marijuana Program Act ("MMPA") promulgates rules wherein counties and cities can adopt and enforce rules and regulations consistent with its provisions; and

WHEREAS, in 2011, Assembly Bill 2650 was enacted (codified as California Health and Safety Code Section 11362.768) affirming that counties and cities can under state law adopt ordinances that control and restrict the location and establishment of a medical marijuana cooperative, collective, dispensary, operator, establishment, or provider; and

WHEREAS, In 2015, California enacted three bills – Assembly Bill 243; Assembly Bill 266; and Senate Bill 643 – that collectively established a comprehensive state regulatory framework for the licensing and enforcement of cultivation, manufacturing, retail sales,

transportation, storage, delivery, and testing of medicinal cannabis in California. This regulatory scheme was known as the Medical Cannabis Regulation and Safety Act (MCRSA); and

WHEREAS, In November, 2016, Proposition 64 was enacted and entitled “The Adult Use of Marijuana Act” (“AUMA”) (codified as amendments to California Health and Safety Code, Business and Professions Code, Revenue and Taxation Code and Food and Agricultural Code). The intent of Proposition 64 being to establish a comprehensive system to decriminalize, control and regulate the cultivation, processing, manufacturing, distribution, testing, and sale of nonmedical marijuana, including marijuana products, for use by adults 21 years and older, and to tax the commercial growth and retail sale of marijuana, as well as other marijuana related activities; and

WHEREAS, June 27, 2017, the State Legislature adopted the State Budget along with a number of trailer bills including Senate Bill 94 which enacted “The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). This bill repealed MCRSA and included certain provisions of MCRSA in the licensing provisions of AUMA. Under this bill, these consolidated provisions make up the MAUCRSA and includes the regulations for both medical and nonmedical cannabis uses; and

WHEREAS, the California Supreme Court held in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729, 753 (“*Inland Empire*”) that the objectives of the CUA and MMPA were modest and that those acts did not create a broad right to access medical marijuana, and *Inland Empire* goes on to provide that neither the CUA nor the MMPA “expressly or impliedly preempts the authority of California cities and counties, under their traditional land use and police powers, to allow, restrict, limit, or entirely exclude” the distribution of medical marijuana. (Id. At p. 762.); and

WHEREAS, the Court of Appeal, Third Appellate District, held in *James Maral, et al. v. City of Live Oak* (2013) 221 Cal.App.4th 975, that the reasoning of *Inland Empire* applies to the cultivation of medical marijuana as well as its distribution, as both are addressed in the CUA and the MMPA; and

WHEREAS, with limited exceptions, neither the Compassionate Use Act (CUA), the Medical Marijuana Program Act (MMPA), the Medical Cannabis Regulation and Safety Act (MCRSA), the Adult Use of Marijuana Act (AUMA) or the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) require or impose an affirmative duty or mandate upon local governments to allow, authorize or sanction the establishment and the operation of facilities for distribution, cultivation, manufacturing or processing medical or non-medical marijuana within its jurisdiction, and

WHEREAS, notwithstanding the comprehensive nature of both the Adult Use of Marijuana Act and the Medicinal and Adult-Use Cannabis Regulation and Safety Act, both Acts under state law protect the ability of local entities to maintain reasonable control over medical and non-medical marijuana activities; and

WHEREAS, the City Council desires to establish reasonable land use controls and reasonable regulations on the operation of commercial medical and adult use marijuana-related businesses and personal use which are intended to operate in conjunction with the City of Grover Beach Development Code’s land use regulation and which are intended to address the negative impacts and nuisance impacts of marijuana-related businesses and use; and

WHEREAS, commercial Medical and Adult Use marijuana-related businesses and personal use will be subject to the zoning and land use regulations as set forth in Article IX, Development Code, of the City of Grover Beach Municipal Code; and

WHEREAS, mindful of the fact that marijuana possession and use is prohibited under federal law and partially decriminalized under state law, it is the Council's intention that nothing in this ordinance shall be construed, in anyway, to expand the rights of anyone to use or possess marijuana under state law; engage in any public nuisance; violate federal law, or engage in any activity in relation to the cultivation, distribution, testing or consumption of marijuana that is otherwise illegal. It is further the intent of the City Council of the City of Grover Beach to maintain local control over these matters to the fullest extent permitted by law; and

WHEREAS, the City Council held a meeting on July 1, 2019 and conducted an introduction and first reading to approve the amendments to the commercial cannabis land use and regulatory ordinances; and

WHEREAS, the City Council held a public hearing on July 15, 2019 and conducted a second reading to approve the amendments to the commercial cannabis land use and regulatory ordinances.

NOW THEREFORE, BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF GROVER BEACH AS FOLLOWS:

PART 1. Findings of Exemption for the purposes of the California Environmental Quality Act:

The proposed amendment is exempt from the California Environmental Quality Act (CEQA) Guidelines Section 15061 based on the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The proposed amendment would not expand the types of uses allowed, or result in an increase in potential development.

PART 2. Section 4000.20 of Chapter 18, Article III of the Grover Beach Municipal Code, Commercial Cannabis Uses, is hereby amended as follows:

4000.20 **Definitions.**

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

(A) "Accrediting body" means a nonprofit organization that requires conformation to ISO/IEC 17025 requirements and is a signatory to the International Laboratory Accreditation Cooperative Mutual Recognition Arrangement for Testing.

(B) "Applicant" for purposes of this ordinance means an Owner applying or renewing a local Commercial Cannabis Permit.

(C) “Branded merchandise” means clothing, hats, pencils, pens, keychains, mugs, water bottles, beverage glasses, notepads, lanyards, cannabis accessories, or other types of merchandise approved by the Bureau with the name or logo of a commercial cannabis business licensed pursuant to the Act. Branded merchandise does not include items containing cannabis or any items that are considered food as defined by Health and Safety Code section 109935.

~~(C)~~ D) “Cannabis” means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacturing, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, “Cannabis” does not mean industrial hemp as that term is defined in Section 11018.5 of the California Health and Safety Code.

(E) “Cannabis accessories” as defined in Health and Safety Code section 11018.2, means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.

~~(D)~~ F) “Cannabis concentrate” means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product’s potency. An edible cannabis product is not considered food, as defined by Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.

~~(E)~~ G) “Cannabis Product” as used in this Chapter means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, edible, topical or other product containing cannabis or concentrate cannabis and other ingredients.

~~(F)~~ H) “Certificate of Accreditation” means a certificate issued by an accrediting body to a licensed testing laboratory, entity, or site to be registered in the state and permitted by the City.

~~(G)~~ I) “Commercial Cannabis Activity” or “Commercial Cannabis Use” include cultivation, nursery, possession, manufacture (Level one and two), processing, storing, laboratory testing, labeling, retailers and microbusinesses including wholesale and retail sale of cannabis or a cannabis products, distribution, transportation and approved licenses enumerated and defined within Division 10, Chapter 1 (commencing with Section 26000) of the California Business and Professions Code, and ultimately issued a “A-Type” or “M-Type” license consistent with Section 26050 (b), of the California Business and Professions Code, as amended.

~~(H)~~ J) “Commercial Cannabis Business” means any business or operation which engages in Commercial Cannabis Activity.

~~(H)~~ (K) “Commercial Cannabis Permit or Permit” means a permit issued by the City of Grover Beach pursuant to this Chapter to a Commercial Cannabis Business that authorizes a Person to conduct Commercial Cannabis Activity within the City.

~~(J)~~ (L) “Cultivation” means any activity involving the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

~~(K)~~ (M) “Cultivation site” means a facility where cannabis is propagated, planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, that holds a valid state license pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

~~(L)~~ (N) “Delivery” means the commercial transfer of cannabis or cannabis products to a customer. “Delivery” also includes the use by a retailer of any technology platform owned and controlled by the retailer.

~~(M)~~ (O) “Dispensing” means any activity involving the retail sale of cannabis or cannabis products from a licensed retailer (State license Type 10) or a microbusiness with a retail use (State license type 12).

~~(N)~~ (P) “Distribution” means the procurement, sale, and transport of cannabis or cannabis products between entities licensed pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act or as amended.

~~(O)~~ (Q) “Distributor” means a Person licensed under the Medicinal and Adult-Use Cannabis Regulation and Safety Act to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed retailer or microbusiness.

~~(P)~~ (R) “Dried flower” means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

~~(Q)~~ (S) “Edible cannabis product” means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.

~~(R)~~ (T) “Good Cause” for purposes of refusing or denying an initial application for a Commercial Cannabis Permit, for revoking a Commercial Cannabis Permit or for refusing or denying renewal or reinstatement of a Permit, or for Rating Applicants for purposes of issuance of a Permit means;

- (1) The Applicant has violated any of the terms, conditions or provisions of this Chapter, of State Law, or any regulations and rules established pursuant to State Law, any applicable rules and regulations, or any special terms or conditions placed upon its Use Permit, State License or Local Permit;
- (2) Failure to provide information required by the City of Grover Beach;
- (3) The Permitted Premises have been operated in a manner that adversely affects the public health, safety or welfare or the safety of the immediate neighborhood in which the establishment is located;

- (4) The Applicant has knowingly made false or misleading statements, misrepresentations or material omissions as part of an interview process, on an application form to request issuance of a Permit or renewal, or any other document submitted to the City;
- (5) The Commercial Cannabis Business is not created, organized or operated in strict compliance with all applicable laws and regulations;
- (6) The Applicant fails to meet the requirements of this Chapter, or the conditions of the Use Permit;
- (7) The operation of the proposed Commercial Cannabis Business at the proposed location is prohibited by a state or local law or regulation;
- (8) The Council has found consistent with Section 4000.160 that the Applicant's criminal history reflects a conviction of an offense that is substantially related to the qualifications, functions or duties of the business or profession for which the application is made and has found the Applicant is not suitable for issuance of a Permit;
- (9) The Applicant was found, to have a felony or misdemeanor conviction involving fraud, deceit, embezzlement, dishonesty, violent behavior, moral turpitude or committed crimes serving as a basis for denial of a Permit consistent with Section 4000.160. A conviction within the meaning of this section means a plea or a guilty verdict, a conviction or diversion following a plea of nolo contendere or a conviction later expunged by the court;
- (10) The Applicant was found to have a felony or misdemeanor conviction for hiring, employing, or using a minor in transportation, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.
- (11) The Applicant was found to have a felony or misdemeanor conviction for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8 of the Health and Safety code.
- (12) The Applicant is employing or being financed in whole or in part by any Person whose criminal history indicates that Person would not be issued a Permit consistent with Section 4000.160 of this Chapter;
- (13) The Applicant or his/her employees fails to allow inspection of the business facilities, security recordings, activity logs, or business records of the Permitted Premise by City Officials;
- (14) The Applicant's business is owned by, or has an officer or director who is a licensed physician making recommendations for Medical Cannabis;
- (15) The Applicant has had a local Permit or State Cannabis License revoked or has had more than one suspension on its local Permit by the City; or
- (16) The Applicant operated a Commercial Cannabis Business in violation of Section 4000.40 of this Chapter;
- (17) The Applicant or the operator listed in the application is less than twenty-one (21) years of age.

(~~S~~U) "Greenhouse" means a structure with walls and roof made primarily of transparent material, such as glass, in which plants requiring regulated climatic conditions are grown.

(~~T~~V) "License" means the issuing of a license by the State of California, or one of its departments or divisions, under the Medicinal and Adult-Use Cannabis Regulation and Safety Act to engage in Commercial Cannabis Activity.

~~(UW)~~ “Live plants” means living cannabis flowers and plants, including seeds, sprouts, immature plants (including unrooted clones), and vegetative stage plants.

~~(VX)~~ “Manufacturer” means a Person that conducts the production, preparation, propagation, or compounding of manufactured cannabis, as defined in this section, or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container, that holds a valid state license pursuant to the Medicinal Adult-Use Cannabis Regulation and Safety Act.

~~(WY)~~ “Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate or manufactured product intended for internal consumption or topical application.

~~(XZ)~~ “Manufacturing site” means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a Person issued a license by the State of California, or one of its departments or divisions, for these activities.

~~(YAA)~~ “Medical cannabis”, “medical cannabis product,” or “cannabis product” means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California Health and Safety Code (as the same may be amended from time-to-time). For purposes of this Chapter, “medical cannabis” does not include industrial hemp as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

~~(ZBB)~~ “Microbusiness” (State license Type 12) shall mean a use for the cultivation of cannabis on an area less than 10,000 square feet and to act as a licensed distributor, Level 1 manufacturer, and retailer under state and local law, or any combination of at least three (3) uses listed herein provided such licensee can demonstrate compliance with all requirements imposed by the Medicinal and Adult-Use Cannabis Regulation and Safety Act on licensed cultivators, distributors Level 1 manufacturers, and retailers to the extent the licensee engages in such activities.

~~(AACCC)~~ “Mixed-Light Building” shall mean the cultivation of cannabis using light deprivation and/or artificial lighting below a rate of 25 watts per square foot.

~~(BBDD)~~ “Moral Turpitude,” crimes are defined as acts of baseness, vileness or depravity in the private and social duties, they are contrary to the accepted and customary rule of moral, right and duty between people. Crimes involving moral turpitude require the criminal intent of the offender to cause great bodily injury, defraud, deceive, deprive an owner of property, or to act in a lewd manner or recklessness.

~~(CCFF)~~ “Nursery” means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

~~(DDFF)~~ “Owner” means any of the following:

- (1) Owner or owners of a proposed facility, includes all Persons or entities having ownership interest of 5 percent or more, other than a security interest, lien, or encumbrance on property that will be used by the facility.
- (2) If the owner is an entity, “owner” includes within the entity each Person participating in the direction, control, or management of, or having a financial interest in the proposed facility.
- (3) If the applicant is a publicly traded company, “owner” means the chief executive officer or any Person or entity with an aggregate ownership interest of 5 percent or more.
- (4) Owner, will also include any consultants, agents, or contractors hired for the purpose of assisting in the preparation and submittal of an application for a Commercial Cannabis Permit or in the operations and management of a Commercial Cannabis Business.

~~(EEGG)~~ “Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.

~~(HH)~~ “Promotional materials” means any form, letter, circular, pamphlet, publication, or other written material directed to a customer or prospective customer to induce retail sales. Promotional material does not include permitted signs, displays, decorations, cannabis accessories, or cannabis goods furnished by a licensed cultivator, licensed manufacturer, licensed distributor, licensed microbusiness, or licensed cannabis event organizer to a retail licensee for advertising purposes. Promotional materials shall have no intrinsic or secondary value.

~~(FFII)~~ “Rating” means a process wherein the City Council considers numerous applications for a Commercial Cannabis Permit that are greater than the number of permits allocated or authorized by ordinance. The City will implement a process as established by Council wherein they rate the applicants based upon information submitted by the applicant, criminal history defined as a component of Good Cause, and oral interviews. Staff will rate the applicants and submit recommendations to Council for consideration. Council may use their sole discretion in using the information submitted by staff or other factors in considering issuance of permits when the applications are greater in number than the number of allowable permits by ordinance. Wherein a total number of Commercial Cannabis Permits are established by ordinance, nothing in this section nor in Section 4.10.045 of the Grover Beach Municipal Code obligates the Council to issue the total number of authorized permits. Council at their discretion may issue any number of permits up to the maximum number of permits authorized by ordinance.

~~(GGJJ)~~ “Retailer” (State license Type 10) means a use for the retail sale and delivery of cannabis or cannabis products to customers. This use is for operations within a fixed location and may consist of a facility open to the general public or may be for delivery only with a facility.

~~(HHKK)~~ “Stacking” means the practice of growing marijuana plants on platforms or tables and stacking them in multiple layers on top of each other.

(~~HL~~) "State License" or "license" means a state license issued pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

(~~JMM~~) "Testing Laboratory" means a facility, entity, or site in the state that offers or performs tests of cannabis or cannabis products and that is both of the following:

- (1) Holds a valid Certificate of Accreditation by an Accrediting Body that is independent from all other Persons involved in the cannabis industry in the state.
- (2) Registered with the State Department of Public Health.

(~~KN~~) "Topical cannabis" means a product intended for external use. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.

(~~LOO~~) "Transport" means the transfer of cannabis or cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting Commercial Cannabis Activity authorized by the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

(~~MMPP~~) "Transporter" means a Person issued a state license by the State of California, or one of its departments or divisions, to transport cannabis or cannabis products in an amount above a threshold determined by the State of California, or one of its departments or divisions, that have been issued a State license pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

PART 3. Subsection A of Section 4000.40 of Chapter 18, Article III of the Grover Beach Municipal Code, Commercial Cannabis Uses, is hereby amended as follows:

4000.40 Licenses and Permits.

(A) In addition to the requirements which may be imposed pursuant to this Chapter, no Person shall engage in Commercial Cannabis Activity or open or operate a Commercial Cannabis Business without possessing both a Commercial Cannabis Permit issued by the City Council Manager and a license issued by the State of California or one of its departments or divisions. Commercial Cannabis Activity shall be permitted in the City of Grover Beach only as expressly provided in this Chapter and Article IX and if not expressly permitted by this Chapter and Article IX shall be prohibited.

(1) An application for a Commercial Cannabis Business permit shall be consistent with this chapter, section and regulations adopted by Council. Each Commercial Cannabis Business permit issued pursuant to this Chapter shall expire twelve (12) months after the date of its issuance unless otherwise defined on the Permit.

(2) In the event of an application for renewal of a Commercial Cannabis Permit, it shall be filed ~~at least sixty (60) calendar days~~ prior to the expiration date of the permit with the City Manager or his/her designee. The permit's term will be extended until such time the City takes action.

(3) An application for renewal of a Commercial Cannabis Permit shall be rejected if any of the following exists:

- ~~a.~~ The application is filed less than sixty (60) days before its expiration.
- ba. The Commercial Cannabis Permit is suspended or revoked at the time of the application.
- cb. The ~~City Council~~ or City Manager finds Good Cause to reject the permit as defined with the application process resolution approved by Council.
- dc. Any other Commercial Cannabis Permit held by the applicant is suspended or revoked at the time of the application for the subject Permit being considered by the City.
- ed. The Commercial Cannabis Business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
- fe. The Commercial Cannabis Business fails to conform to the requirements of this Chapter, any regulations adopted pursuant to this Chapter or the conditions imposed as part of any Use Permit or zoning requirements.
- gf. The permittee fails to renew its State of California license.

(4) If a renewal application is rejected for reasons other than Good Cause, a Person may file a new application pursuant to this Chapter.

(B) Prior to commencing operation, a Commercial Cannabis Business shall be subject to a mandatory building inspection and must obtain all required permits or approvals which would otherwise be required including, but not limited to, a Commercial Cannabis Permit, building permit(s), and a valid Use Permit, required by the Grover Beach Municipal Code.

(C) Revocation, termination, non-issuance or suspension of a license issued by the State of California, or any of its departments or divisions, shall immediately terminate the ability of a Cannabis Business to operate within the City of Grover Beach until the State of California, or its respective department or division, reinstates or issues the State license.

(D) Any Person prior to possessing, planting, cultivating, harvesting, drying or processing marijuana plants or possessing the marijuana produced from those plants consistent with paragraph (3) of subdivision (a) of Health and Safety Code Section 11362.1, shall contact the City of Grover Beach Police Department and Register consistent with the procedures established by the Department. There shall be a processing fee as established in the City of Grover Beach's Master Fee Schedule.

PART 4. Section 4000.160 of Chapter 18, Article III of the Grover Beach Municipal Code, Commercial Cannabis Uses, is hereby amended as follows:

4000.160 Commercial Cannabis Permit Application Procedures and Application Requirements.

Permittee Selection Process; Criteria for Review; Renewal, Suspension, or Revocation of a Permit: In addition to those requirements set forth in this section and elsewhere in this Chapter, the City Council shall by resolution or ordinance adopt such forms, fees, and procedures as are necessary to implement this Chapter with respect to the initial selection, future selection, investigation process, renewal, rating of applicants, revocation, and suspension of Commercial Cannabis Permits.

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

(1) The printed full name, signature, date of birth and present address and telephone number of all Persons and entities responsible for the operation of the Commercial Cannabis Business including managers, corporate officers, investors, any Person with an ownership interest, any member of a board of directors, any general or limited partner, and/or any member of a decision-making body for the Commercial Cannabis Business.

(2) The address to which correspondence from the City of Grover Beach is to be sent.

(3) The names and addresses of all businesses operated by and the employment of the applicant(s) for the five (5) years immediately preceding the date of the application.

(4) Any litigation in which the applicant(s) has been involved within the five (5) years immediately preceding the date of the application and a statement of whether any business currently operated by the applicant(s) or operated by the applicant(s) within the five (5) years immediately preceding the date of the application has been investigated or the permit or license authorizing the operation of such business has been revoked or suspended within the five (5) years immediately preceding the date of the application.

(5) The address of any Commercial Cannabis Business currently being operated by the applicant(s), or any of them, or which have been previously operated by them within the last five (5) years.

~~(6) The supply sources for all cannabis and cannabis products sold at the Commercial Cannabis Business. Product supply chain including the site(s) where cultivation occurs, the product is processed or manufactured, any required testing of cannabis or cannabis products, transportation, and packaging and labelling criteria.~~

~~(7)~~ The names and telephone numbers of the Person(s) to be regularly engaged in the operation of the proposed Commercial Cannabis Business, whether an employee, volunteer or contractor. The application shall also have the names and telephone numbers of those Persons having management and supervisory responsibilities for the proposed Commercial Cannabis Business.

~~(8)~~ Odor control devices and techniques to prevent odors from marijuana from being detectable off-site.

~~(9)~~ Procedures for identifying, managing, and disposing of contaminated, adulterated, deteriorated or excess cannabis product.

~~(10)~~ Procedures for inventory control to prevent diversion of cannabis and cannabis product, employee screening, storage of cannabis and cannabis product, personnel policies, and record-keeping procedures.

(~~44~~10) A detail of the procedures to be utilized at the facility including a description of how chemicals and fertilizers will be stored, handled, used and disposed of; manufacturing methods, the transportation process, inventory procedures, and quality control procedures.

(~~42~~11) A site plan and floor plan of the Commercial Cannabis Business denoting the property lines and the layout of all areas of the Commercial Cannabis Business including storage, cultivation, manufacturing, testing, distributing, reception/waiting, and all ancillary support spaces, and the relationship of the facility to adjacent properties and land uses.

(~~43~~12) An operations and security plan in conformance with Section 4000.50.

(~~44~~13) Standard operating procedures detailing how operations will comply with state and local regulations, how safety and quality of products will be ensured, record-keeping procedures for financing, testing, and adverse event recording, and product recall procedures.

(~~45~~14) Proposed hours of operation.

(~~46~~15) Recycling and Waste disposal information.

(~~47~~16) Medical recommendation verification and youth access restriction procedures.

(~~48~~17) A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.

(~~49~~18) Detailed description of energy and water usage plan enumerating best practices and leading industry practices in efficient utilization of both resources.

(B) The ~~City Council~~ or City Manager may deny an application for a Commercial Cannabis Permit for Good Cause or if the applicant has been convicted of an offense that is substantially related to the qualifications, functions or duties of the business or profession for which the application is made, except that if the ~~City Council~~ Manager determines that the applicant is otherwise suitable to be issued a Permit and granting the Permit would not compromise public safety, the ~~City Council~~ Manager may conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and shall evaluate the suitability of the applicant to be issued a license based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the ~~City Council~~ Manager will include, but not be limited to, the following:

(1) A felony or misdemeanor conviction for the illegal use, possession, distribution, manufacture, transportation, cultivation or similar activity related to a controlled substance as defined in the Federal Controlled Substances Act.

(2) A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.

(3) A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.

(C) The Chief of Police or his/her designee shall review each application to determine whether it contains all the required information. If the application does not contain all of the required information, it shall be returned to the applicant for completion. The Chief of Police or his/her designee will endeavor to conclude their review within thirty (30) days of the filing of the application. If additional time is necessary, the Chief of Police or his/her designee will advise the applicant of an estimated review time.

(D) In reviewing an application for a Permit pursuant to this Chapter or in reviewing the proposed Commercial Cannabis Business, the Chief of Police or his/her designee may request whatever additional information is deemed necessary to carry out the purposes of this Chapter.

(E) The City ~~Council~~ Manager shall have the authority to either grant or deny the application consistent with this Chapter 18 for a Commercial Cannabis Permit when submitted to ~~Council along with a Use Permit~~ has been issued in accordance with Article IX of the Municipal Code. ~~The City Manager shall have the authority to either grant or deny the application consistent with this Chapter 18 for a Commercial Cannabis Permit when submitted for consideration without a Use Permit, except all Commercial Cannabis Permits for Level Two Manufacturing shall be approved by the City Council. Notwithstanding what is otherwise provided in this Chapter, the City Council or~~ The City Manager, when approving a Commercial Cannabis Permit, may place any additional limitations and conditions on the operation of a Commercial Cannabis Business the ~~Council or~~ City Manager deems necessary, consistent with the public interest and with this Chapter 18.

~~(F) In the event the City Manager shall consider the application for a Commercial Cannabis Permit, as proposed in this section, a mailed notice of an application for a Commercial Cannabis Permit shall be provided at least ten (10) calendar days prior to the City Manager taking action on the Permit to all property owners and occupants within 300 feet of the proposed Commercial Cannabis Business. The notice shall contain the following:~~

- ~~(1) A description of the proposed Commercial Cannabis Business and its location;~~
- ~~(2) The date the application will be acted upon by the City Manager;~~
- ~~(3) The general procedure for submitting comments prior to the City Manager taking action on the proposed Commercial Cannabis Permit;~~
- ~~(4) A statement that any comments must be received within ten (10) calendar days of the notice date.~~
- ~~(5) A statement that an administrative hearing may be scheduled upon request by any member of the public to allow the City Manager to receive public input prior to making a decision.~~

~~If an administrative hearing is requested by the public, the City Manager shall conduct an administrative hearing and make a decision.~~

~~(G)~~ (F) When a Permit is approved or denied, the ~~City Council or~~ City Manager shall prepare and file a statement of decision giving the reasons for the approval or denial and the findings of fact upon which the decision is based. The City Clerk shall mail a copy of

the statement of decision to the applicant upon filing and shall post the statement of decision on the City's Website ~~and the City Hall bulletin board~~. In the event the City Manager shall review and approve or deny the Permit, the applicant or any aggrieved person, may within ten (10) days of the mailing of written notice of the filing of the statement of decision or posting of the statement of decision, whichever is later, appeal the decision to the City Council. All appeals shall be in writing and submitted to the City Clerk. An appeal fee must accompany the written appeal in an amount as indicated in the Master Fee Schedule.

PART 5. Subsection A of Section 4000.200 of Chapter 18, Article III of the Grover Beach Municipal Code, Commercial Cannabis Uses, is hereby amended as follows:

4000.200 Operating Requirements for All Commercial Cannabis Uses.

In addition to those operating requirements specifically set forth elsewhere in this Chapter and except as may otherwise be expressly set forth in this Chapter, the following operating requirements shall apply to all Commercial Cannabis Businesses operating in the City of Grover Beach.

(A) Restriction on Consumption. Cannabis shall not be consumed on the premises of any Commercial Cannabis Businesses unless medically necessary or elsewhere in the City of Grover Beach other than within private residences.

(B) No cannabis or cannabis products shall be visible from the exterior of the property or building. No outdoor storage of cannabis or cannabis products is permitted at any time.

(C) Reporting and Tracking of Product and of Gross Sales. Each Commercial Cannabis Business shall have in place a point-of-sale tracking system to track and to report on all aspects of the Commercial Cannabis Business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale) and shall ensure that such information is compatible with the City's record-keeping systems. The system must have the capability to produce historical transactional data for review by the City of Grover Beach. All information provided to the City pursuant to this subsection shall be confidential and shall not be disclosed, except as may otherwise be required under law.

(D) All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the State and local regulations.

(E) Sale of Cannabis Accessories and Non-Cannabis Goods. In addition to cannabis goods, a licensed retailer may display and sell cannabis accessories and the licensee's branded merchandise inside their retail space. The licensee may provide promotional materials to customers or prospective customers. The licensee shall not sell branded merchandise until receiving written approval from the Bureau of Cannabis Control and the City.

~~(E)~~ Emergency Contact. Each Commercial Cannabis Business shall provide the City Chief of Police or his/her designee with the name, telephone number (mobile preferred, if available) of an on-site employee or owner to whom emergency notice can be provided.

(FG) Signage and Notices.

(1) In addition to the requirements otherwise set forth in this section, business identification signage for a Commercial Cannabis Business shall conform to the requirements of Article IX of the Grover Beach Municipal Code, including, but not limited to, an issuance of a City of Grover Beach sign permit.

(2) No signs placed on the premises of a Commercial Cannabis Business shall obstruct any entrance or exit to the building or any window.

(3) Each entrance to a Commercial Cannabis Business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the Commercial Cannabis Business is prohibited.

(GH) Minors. Persons under the age of twenty-one (21) years shall not be allowed on the premises of a Commercial Cannabis Business and shall not be allowed to purchase any Cannabis or Cannabis Concentrate products, except anyone under twenty-one years of age but at least eighteen (18) years of age or older shall only be allowed within a Commercial Cannabis Business if the business holds a state issued M-Type license and entry is authorized in accordance with the Medicinal and Adult Use Cannabis Regulation and Safety Act..

It shall be unlawful and a violation of this Chapter for any Person to employ any other Person at a Commercial Cannabis Business who is not at least twenty-one (21) years of age.

The entrance to the Commercial Cannabis Business shall be clearly and legibly posted with a notice that no Person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the Commercial Cannabis Business unless the Commercial Cannabis Business is a M-Type license issued by the state wherein it shall be posted that no Person under the age of eighteen (18) is permitted to enter upon the premises. Persons 18, but under 21, must be in possession of a valid medical marijuana identification card or valid doctor's recommendation.

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

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

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

(~~J~~) Display of Commercial Cannabis Permit. The original copy of the permit issued by the City of Grover Beach pursuant to this Chapter shall be posted inside the Commercial Cannabis Business in a location readily-visible to the public.

(~~J~~~~K~~) Background Check. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes city authorities to access state and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every Person listed as an owner, manager, supervisor, employee or volunteer, of the Commercial Cannabis Business must submit fingerprints and other information deemed necessary by the Chief of Police or his/her designee(s) for a background check by the Grover Beach Police Department. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of the record, no Person shall be issued a permit to operate a commercial cannabis business or a related work permit unless they have first cleared the background check, as determined by the Chief of Police, as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City of Grover Beach to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a Commercial Cannabis Business permit is submitted. If this amount is not sufficient, the applicant shall provide additional amounts that are necessary and if the applicant is unable to provide the additional amounts necessary to complete the investigation, the investigation shall cease and shall not continue until such additional amounts are paid. Upon completion of the investigation or in the event the applicant withdraws their application, any fees paid for this process will be deemed non-refundable.

(~~K~~~~L~~) Loitering. The owner and/or operator of a Commercial Cannabis Business shall prevent Persons from remaining on the premises of the facility or business if they are not engaged in activity expressly related to the operations of the business.

(~~L~~~~M~~) Permits and other Approvals. Prior to the establishment of any Commercial Cannabis Business or the operation of any such business, the Person intending to establish a Commercial Cannabis Business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zone in which such Commercial Cannabis Business intends to establish and to operate.

(~~M~~~~N~~) Each Commercial Cannabis Business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the Commercial Cannabis Business can be provided. Each Commercial Cannabis Business shall also provide the above information to all businesses and residences located within one hundred (100) feet of the Commercial Cannabis Business as measured from the property line.

(O) Deliveries. All deliveries of cannabis products shall be conducted in a secured delivery environment as outlined in Article IX, Chapter 4, Section 4.10.045(5). Deliveries of non-cannabis products may be conducted in normal shipping and receiving areas.

PART 6. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held invalid by a court of competent jurisdiction, such a decision shall not affect the validity of the remaining portions of this Ordinance. The City Council

declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases, be declared invalid.

PART 7. All ordinances and parts of ordinances in conflict with those sections amended or added herein are hereby repealed.

PART 8. Effective Date. This Ordinance shall not become effective and in full force and effect until 12:01 a.m. on the thirty first day after its final passage. Fifteen (15) days after adoption by the City Council, the Ordinance shall be published once, together with the names of the Council Members voting thereon, in a newspaper of general circulation within the City.

INTRODUCED at a regular meeting of the City Council held on July 1, 2019 and **PASSED, APPROVED,** and **ADOPTED** by the City Council on July 15, 2019, on the following roll call vote, to wit:

AYES: Council Members -
NOES: Council Members -
ABSENT: Council Members -
ABSTAIN: Council Members -
RECUSED: Council Members –

**** D R A F T ****

JEFF LEE, MAYOR

Attest:

WENDI SIMS, CITY CLERK

Approved as to Form:

DAVID P. HALE, CITY ATTORNEY



City of Grover Beach Building Division

Fire & Life Safety Requirements

CANNABIS MANUFACTURING, LABORATORY, AND CULTIVATION FACILITIES

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

This handout outlines fire and life safety requirements for cannabis ~~cultivation~~, manufacturing, and laboratory, and cultivation facilities. Other than discretionary or voluntary compliance as allowed within these regulations, applicants for Commercial Cannabis Permits will be required to comply with these regulations. For questions regarding these regulations, please contact the Five Cities Fire Authority at 805-473-5490.

AUTHORITY

Codes and standards regulating ~~medical~~ cannabis facilities currently adopted by the City of Grover Beach include, but are not limited to:

- California Building Code
- California Electrical Code
- California Mechanical Code
- California Occupational Health and Safety Regulations
- California Plumbing Code
- California Energy Code
- California Existing Building Code
- California Green Building Standards Code
- California Fire Code
- California Health and Safety Code
- National Fire Protection Association Standards
- City of Grover Beach Municipal Code

USE OF CERTIFIED INDUSTRIAL HYGIENIST OR LICENSED PROFESSIONAL ENGINEER

- For manufacturing and laboratory businesses, the use of either a Certified Industrial Hygienist (CIH) certified by the American Board of Industrial Hygiene or a Licensed Professional Engineer (PE) licensed through the State of California Department of Consumer Affairs (Mechanical or Electrical) is required as defined in this document.
- The Licensed Professional Engineer or Certified Industrial Hygienist of record will be required to be physically present for an annual business inspection.

CULTIVATION OPERATION REQUIREMENTS

~~Applicants submitting an application for Cultivation Operations shall provide proof of compliance with the following requirements:~~

- ~~➤ Provide cultivation requirements including site and cultivation plans as described in state regulations for cultivation.~~
- ~~➤ Partition material between grow spaces shall be made of an approved fire resistant material and rating.~~
- ~~➤ Carbon Dioxide (CO₂) enrichment systems shall be listed and labeled, properly installed and functioning with a concentration level of no more than 1500 ppm (parts per million)~~
- ~~➤ Any compressed gasses used in the enrichment process shall not be stored in containers that exceed a 150-pound tank size and shall be industry conforming.~~
- ~~➤ Compressed gas tanks shall be seismically restrained with cable or chain.~~
- ~~➤ Backflow prevention on hose bibs and faucets shall be required.~~

- ~~All cultivation facilities shall be organized in orderly rows with aisles of at least three feet in width, and at least eight feet between aisle and next aisle or the aisle and a wall. Facility shall maintain clear access to all exits.~~
- ~~Electrical:~~
 - ~~Luminaries shall be approved for application.~~
 - ~~Luminaries shall be properly installed/restrained.~~
 - ~~All 120 volt outlets shall be GFI protected.~~
 - ~~No cords shall be installed through holes, sleeves, ceilings, or where otherwise prohibited.~~
- ~~“No Storage” areas shall be outlined on floor in front of electrical panels.~~
- ~~Clearly posted signage prohibiting employees from performing any manufacturing processes if under the influence of alcohol, cannabis, illegal drugs or other prescription medicines.~~

MANUFACTURING OPERATION REQUIREMENTS

Applicants submitting an application for Manufacturing Operations shall meet the following requirements:

- ~~The A Certified Industrial Hygienist (CIH) or PE~~ shall provide a detailed report for the specific facility. ~~The CIH/PE shall be certified by the American Board of Industrial Hygiene and provide their “wet stamp” approval on the detailed report. The CIH/PE shall identify hazards, engineering and administrative controls necessary to control hazards, specifications for ventilation controls for extracting cannabinoids from cannabis plant products with flammable solvents and under pressure using CO₂ and liquefied petroleum gas (LPG) flammable solvents. The scope of the stamped report shall include:~~
 - Process and operations.
 - Extraction and manufacturing equipment.
 - Hazards of processes and operations.
 - List the types and quantities of anticipated hazardous materials by hazard class.
 - Engineering and administrative controls to mitigate hazards.
 - Ventilation controls.
 - Potential employee exposure to chemical substances and plan to maintain compliance with Cal OSHA limits.
 - Personal Protective Equipment (PPE).
 - Training plan/documentation related to PPE.
 - Odor control or odor management plan.
 - Warning sign types and locations.
 - Need for atmospheric monitoring equipment, type and location.
 - Calculations and basis for engineering controls.
 - List of specific recommendations to implement controls.
 - Clearly posted signage prohibiting employees from performing any manufacturing processes if under the influence of alcohol, cannabis, illegal drugs or other prescription medicines.
- ~~The CIH/PE retained to provide the report shall be required to perform an on-site inspection of the facility to verify compliance with the requirements identified in the report prior to approval to begin operations and final occupancy.~~
- ~~Any “Research and Development” or “Trials” involving processes, equipment and solvents that differ from those identified in the approved CIH/PE report of record requires notification of the Five Cities Fire Authority prior to the commencement of such activity. Any approved change shall trigger a revised CIH/PE review and report to reflect all modifications to process and equipment.~~
- ~~A hazardous materials management plan shall be completed that includes:~~
 - List of specific recommendations to implement controls.
 - Identification of hazard classes.
 - Quantities.
 - Location of materials.
 - Determination of storage plan.

- Plans showing materials locations in facility.
- All containment specifications for all gases.
- Occupancy classification; if mixed occupancies provide required separation.
- In cases where the concentrations of flammable vapors and gases may be in excess of 25% of the lower flammability limit, the facility design shall be in compliance with requirements to mitigate the potential for explosion or fire.
- Only closed-loop type extraction equipment shall be permitted.
- Extraction equipment either employing a flammable liquid or compressed (liquefied gas) shall be conducted in an industry standard closed-loop system. The system shall be commercially manufactured, safe for its intended use, bear a permanently affixed and visible serial number, and built to codes and/or practices of generally accepted best engineering practices consistent with:
 - The American Society of Mechanical Engineers (ASME).
 - American National Standards Institute (ANSI).
 - Underwriters Laboratories (UL).
 - The American Society for Testing and Materials (ASTM).

The certification document shall contain the signature and stamp of a professional engineer and the serial number of the extraction unit being certified.

- Only extraction equipment that includes an owner's operation manual with specific instructions regarding proper use of the equipment and safety provisions identified shall be used.
- Standard operating procedures (SOP's) for all major equipment operations shall be provided, including:
 - Start Up
 - Shut Down
 - Setup
 - Emergency situations
- Refrigerated storage or processing of flammable liquids including oil-laden with flammable liquids shall only use refrigerators/freezers rated to store flammable liquids. At a minimum, "lab safe" or "flammable safe" products shall be utilized.
- Equipment exhaust from vacuum pumps, ovens or any other equipment that may contain solvent vapors or products of combustion created when cannabis products are heated or processed shall be conveyed by an appropriate exhaust system to the outside of the building. Note: general dilution ventilation is not acceptable.
- Any compressed gases used in the manufacturing process shall not be stored in containers that exceed 150 pound tanks in size and shall be industry conforming. Reference storage requirements.
- Ethanol used in the manufacturing process shall not be stored in containers that exceed 55-gallon drum size. Reference storage requirements on Page 6.
- Equipment exhaust discharge shall be at least ten feet from any fresh air intakes.
- Equipment exhaust discharge shall be at least 25 feet from property lines.
- Extraction Room:
 - If flammable liquids are utilized, extraction shall be performed within properly fire rated enclosed room based on the appropriate occupancy classification.
 - Shall have smooth cleanable surfaces, with cleanable painted surfaces and a sealed floor
 - Signage shall be posted to limit ignition sources and prohibit any open flames.
- Spent plant material shall either be composted or mixed with compost, shredded paper or similar products to render it unrecognizable. The ground material shall be blended with a non-cannabis material so that the resulting mixture is at least 50% non-cannabis product by volume.
- Storage and transport of intermediate or finished cannabis extraction shall be in sealed containers that will provide protection against physical, chemical and microbial contamination. Containers shall be designed to be secure against the entry of microorganisms.
- Facilities used for extraction or processing of cannabis materials shall follow proper and industry laboratory practices.

➤ **Additional Requirements for Level II / Type 7 Manufacturing:**

An extraction booth (specialized or walk in type hood) may be placed in a dedicated room for extraction or an integrated extraction room/booth may be installed. The room shall be designed to accommodate the use of liquefied compressed gases (LPG) such as butane, propane, iso-butane, mixtures of those gases, or other flammable solvents. Either option shall meet all applicable codes and requirements.

- **Extraction Booth within a Room** – shall be constructed to meet all codes and requirements. The extraction booth shall be located within a room dedicated to the extraction process.
 - There shall be no other equipment within the electrically classified area of the room (i.e. refrigerators, cooking appliances, electrical panels, computers, cell phones, etc.) that is not associated with the extraction process.
 - There shall be no penetrations into the room that are not essential for the extraction process (i.e. gas lines, HVAC systems, plumbing, etc.).
 - Room doors shall open outwards and shall be either equipped with a panic bar or a non locking closure.
 - Unclassified electrical receptacles and equipment shall be kept out of the controlled areas.
 - Equipment lines that penetrate a wall to the extraction booth shall go through a sleeve (purposed fitting) and be fire caulked.
 - Shall include an area within the extraction booth for off-gassing spent plant material containing absorbed gasses.
 - Shall have separate exhaust and ventilation systems with visual and audible alarm.
 - Shall have a fixed LEL sensor located between 10 and 12 inches from the floor adjacent to the extraction booth exit door or sash.
 - Shall have an alarm system that includes horn or audible signal and strobe or visible light. If mounted in the extraction booth, it shall meet all requirements and codes.
 - Lighting shall either be outside of the classified area behind glazing or meet all codes and requirements.
 - Lighting shall provide 75 to 110 foot candles of illumination within the hood or booth area / room.
 - Make-up air shall be actively provided within the extraction room where the booth or hood is located at plus or minus 5% of the exhausted air rate.
 - Exhaust fan motor and assembly shall be explosion proof and have an Air Movement and Control Association (AMCA) approved Spark Resistant Construction (SRC), Type A or B.
 - The hood or booth and room shall have a fire-suppression system in which at least one of the sprinkler heads is placed within the exhaust hood or booth or duct.
 - The approved fire suppression system may either be wet or a dry system.
 - Interlock: The switch that controls the hood or booth's light, shall also control the ventilation so that whenever the hood or booth's lights are turned on, the make-up air and exhaust ventilation are active.
 - Once commissioned, the fixed LEL sensor shall be continually on except when being serviced.
 - If the gas detection senses an air borne concentration of flammable or explosive gasses or vapors at 25% or greater of the LEL, then the mechanical ventilation systems shall be locked on.
 - Failure of the gas detection system shall result in the continuance or activation of the mechanical ventilation system.
 - All electrical components within the hood or booth shall be interlocked with the gas detection system, and meet all requirements and codes. Activation of the gas detection system shall disable electrical outlets.
 - A grounding system shall be installed so that all equipment may be grounded and/or bonded.

- **Special Purpose Extraction Room** - The room shall be constructed to meet all requirements of an extraction booth. Extraction rooms are required to be located in a room dedicated solely to the extraction process.
 - There shall be no other equipment within the electrically classified area of the room (i.e. refrigerators, cooking appliances, electrical panels, computers, cell phones, etc.) that is not associated with the extraction process.
 - There shall be no penetrations into the room that are not essential for the extraction process (i.e. gas lines, HVAC systems, plumbing, etc.).
 - Rooms are to be of continuous, noncombustible, and smooth construction, and room finish should be cleanable.
 - Acoustic-type drop ceilings are not compatible with LPG extraction exhaust systems and will not be permitted.
 - Hand sinks and eye wash stations (if required by other Codes) can be located in the room.
 - Doors to the extraction room (or anteroom if applicable) shall swing in the direction of egress, be self-closing/latching, and be provided with panic hardware or other non-locking closure.
 - The room shall be constructed to the required occupancy classification fire rating and have a minimum one (1) hour fire rating.

The room shall provide for:

- Sufficient ventilation to keep the expected concentration of gasses within the room below 25% of the Lower Explosive Limit (LEL).
- Ventilation for spent plant material off-gassing.
- Ventilation for off-gassing extract after recovery.
- The maximum amount of flammable compressed gas within the room shall be less than the CFC-IBC allowable limit.
- Spent plant matter shall be placed in an appropriate container to off-gas so that the headspace above the container contains less than 10% of the LEL before removal from the room.
- Make up air shall enter into the room opposite the exhaust register. The exhaust register should be sized to cover at least 75% of the area of the extraction equipment, and be of an indirect-fired design.
- The bottom of the exhaust register shall be no more than 2" from the floor.
- A transition area to an intrinsically safe operational area.
- The boundaries of the intrinsically safe operational area shall be specified.
- Unclassified electrical receptacles and equipment shall be kept out of the controlled areas.
- Equipment lines that penetrate the wall shall go through a sleeve and be fire caulked.
- Shall be an area for off-gassing, spent plant material containing absorbed gasses.
- Shall have a fixed LEL sensor located between 10 and 12 inches from the floor adjacent to the exit door.
- Shall have an alarm system that includes horn or audible signal and strobe or visible light. If mounted in the extraction room, the alarm system shall meet all regulations and codes.
- Lighting shall either be outside of the classified area behind glazing or meet all regulations and codes.
- Lighting shall provide 75 to 110 foot candles of illumination within the extraction room.
- Make-up air shall be actively provided at plus or minus 5% of the exhausted air rate in opposition to the exhaust register.
- Exhaust fan motor and assembly shall be explosion proof and have an Air Movement and Control Association (AMCA) approved Spark Resistant Construction (SRC), Type A or B.
- The room shall have a fire-suppression system in which at least one of the sprinkler heads is placed within the exhaust duct.

- The approved fire suppression system may either be wet or a dry system.
- Interlock: The switch that controls the room light, shall also control the ventilation so that whenever the room lights are turned on, the make-up air and exhaust ventilation are active.
- Once commissioned, the fixed LEL sensor shall be continually on except when being serviced.
- If the gas detection senses an air borne concentration of flammable or explosive gasses or vapors at 25% or greater of the LEL, then the mechanical ventilation systems shall be locked on.
- Failure of the gas detection system shall result in activation of the mechanical ventilation system.
- All electrical components within the extraction room shall be interlocked with the gas detection system. Activation of the gas detection system shall disable electrical outlets.
- A grounding system shall be installed so that all equipment may be grounded and/or bonded.
- Prior to the operation of the extraction equipment, the certified CIH/PE or engineer of record shall inspect the site of the extraction equipment and certify that it has been installed and in compliance with technical reports and building analysis. The engineer or approved professional shall provide a report of findings and observations of the site inspection to the Fire Chief or designee prior to the approval of the extraction process. The report shall include the serial number of the equipment used in the process and confirm that it is the same equipment identified in the technical report.
- **In Case of Fire:**
 - HVAC for make-up air shall be turned off, but exhaust shall be kept on.
 - Smoke evacuation system to be provided as applicable.
- **Change in LEL Status** - If LEL monitor senses concentration greater than 25% of LEL, then:
 - Horn is activated.
 - Strobe is activated.
 - HVAC unit for make-up air and exhaust fan are either already on and kept on or turned on.
 - The following are locked on:
 - HVAC for makeup air.
 - Exhaust fan.
- **Storage of Gas Cylinders:**
 - Cylinders of LPG shall be stored in a locking cage or appropriately ventilated room outside of the manufacturing facility.
 - Public access to the filling location shall be restricted (i.e. fenced area or other security).
 - No LPG storage within 25 feet of property line.
 - If trans-filling operations are taking place in the storage area, all trans-filling requirements shall be satisfied.
 - Bollards may be necessary for protection from vehicular traffic.
- **Bulk Storage** – Bulk storage of Carbon Dioxide (CO₂) subject to fire department approval.
- **Trans-filling**
 - Public access to the filling location must be restricted (i.e. fenced area or other security).
 - Filling the solvent service tanks is regulated as LPG liquid transfer under NFPA 58 and shall be conducted outdoors.
 - Filling location shall be located 15 feet from combustion engine use; i.e. vehicle parking.
 - The location may be located against a noncombustible building wall without openings. If stored near a building without non-combustible walls, the storage area shall be 10 feet or greater in distance from said building.
 - All local ignition sources within 25 feet shall be shut off or excluded before trans-filling.
 - In areas designated for trans-filling operations, a 25-foot boundary shall be clearly identified. If a fixed 25-foot boundary is not feasible, the temporary use of traffic cones to delineate the 25-foot boundary is acceptable to secure the safety zone.

INFUSED PRODUCT FACILITY REQUIREMENTS

Applicants submitting an application for an Infused Product Facility shall meet the following requirements:

- ~~A CIH or PEA Certified Industrial Hygienist (CIH)~~ shall provide a detailed report for the specific facility. ~~The CIH/PE shall be certified by the American Board of Industrial Hygiene and~~ provide their “wet stamp” approval on the detailed report. The CIH/PE shall identify hazards, engineering and administrative controls necessary to control hazards, specifications for ventilation controls for infusing cannabinoid derived from cannabis plant products into foods, beverages, salves, inhalants, and tinctures to be ingested or applied topically. The scope of the stamped report shall include:
 - Process and operations.
 - Infusion operations and associated equipment.
 - Hazards of process and operations.
 - List the types and quantities of anticipated hazardous materials by hazard class.
 - Engineering and administrative controls to mitigate hazards.
 - Ventilation controls.
 - Potential employee exposure to chemical substances and plan to maintain compliance with Cal OSHA limits.
 - Personal Protective Equipment (PPE).
 - Training plan/documentation related to PPE.
 - Odor control or odor management plan.
 - Warning sign types and locations.
 - Identify required occupancy classification for the type of hazards involved.
 - Clearly posted signage prohibiting employees from performing any manufacturing processes if under the influence of alcohol, cannabis, illegal drugs or other prescription medicines.
 - Need for atmospheric monitoring equipment, type and location.
 - Sanitation requirements for processing into foods, beverages, salves, inhalants, and tinctures shall include:
 - Location of hand wash sinks.
 - How dishes will be washed, including requirements that all food handling and health care related fixtures, devices and equipment discharge through indirect waste lines into a floor sink.
 - Contact surfaces shall be smooth, free of breaks, open seams, cracks, chips, pits and similar imperfections; free from sharp internal angles, corners, and crevices. Finishes are to have smooth welds and joints.
 - Equipment containing bearings and gears shall be designed, constructed and maintained to ensure that food and health requirements are satisfied.
 - All rooms shall have sufficient ventilation to keep them free from excessive heat, steam, condensation, vapors, odors, smoke and fumes.
 - Table or counter mounted equipment shall be installed to facilitate the cleaning of the equipment and adjacent areas be being sealed to the surface or elevated by at least four inches.
 - Three compartment sinks shall be required for washing, rinsing, and sanitizing equipment and utensils.
 - Hand sinks shall be conveniently located for employees.
 - Hand sinks shall only be used for hand washing (maximum water temperature of 110 degrees is to be maintained through an appropriate mixing valve).
 - Sinks used for food or medicine preparation or for washing equipment shall not be used for hand washing.
 - At least one utility or mop sink shall be provided.
 - Garbage and refuse shall be stored in a manner to be inaccessible to insects and rodents.

- Floors shall be smooth, durable, nonabsorbent, light colored and maintained in good repair.
 - The juncture between the floor and wall shall be closed and sealed.
 - Walls and ceilings shall be smooth and easily cleanable.
 - Calculations and basis for engineering controls.
 - List of specific recommendations to implement controls.
- The CIH/PE retained to provide the report shall be required to perform an on-site inspection of the facility to verify compliance with the requirements identified in the report prior to approval to begin operations.
- A hazardous materials management plan shall be completed that includes:
 - Identification of hazard classes.
 - Quantities.
 - Location of materials.
 - Determination of storage plan.
 - Sketch of materials locations in facility.
- Concentrations of grease, smoke, heat steam or products of combustion created when medical cannabis products are processed into foods, beverages, salves, inhalants and tinctures shall be contained by code required hood systems.

TESTING LABORATORY FACILITY REQUIREMENTS

Applicants submitting an application for a Testing Laboratory Facility shall meet the following requirements:

- A CIH or PE shall provide a detailed report for the specific facility. The CIH/PE shall provide their “wet stamp” approval on the detailed report. ~~A Certified Industrial Hygienist (CIH) shall provide a detailed report for the specific facility. The CIH shall be certified by the American Board of Industrial Hygiene and provide their “wet stamp” approval on the detailed report.~~ The CIH/PE shall identify hazards, engineering and administrative controls necessary to control hazards, specifications for ventilation controls for performing the work of a testing laboratory. The scope of the stamped report shall include:
 - Process and operations
 - Hazards of process and operations
 - List the types and quantities of anticipated hazardous materials by hazard class
 - Engineering and administrative controls to mitigate hazards
 - Ventilation controls
 - Potential employee exposure to chemical substances and plan to maintain compliance with Cal OSHA limits
 - Personal Protective Equipment (PPE)
 - Training plan/documentation related to PPE
 - Warning sign types and locations
 - Need for atmospheric monitoring equipment, type and location
 - Calculations and basis for engineering controls
 - Clearly posted signage prohibiting employees from performing any testing processes if under the influence of alcohol, cannabis, illegal drugs or other medicines
 - List of specific recommendations to implement controls
 - Identify required occupancy classification for the type of hazards involved
- The CIH/PE retained to provide the report shall be required to perform an on-site inspection of the facility to verify compliance with the requirements identified in the report prior to approval to begin operations.
- A hazardous materials management plan shall be completed that includes:
 - Identification of hazard classes
 - Quantities
 - Location of materials
 - Determination of storage plan
 - Sketch of materials locations in facility
- A chemical hygiene program shall be created and then implemented for the facility.

- Refrigerated storage or processing of flammable liquids including oil-laden with flammable liquids shall only use refrigerators/freezers rated to store flammable liquids. At a minimum, “lab safe” or “flammable safe” products shall be utilized.
- Equipment exhaust from analytical equipment, vacuum pumps, ovens or other equipment that may contain solvent vapors or products of combustion shall be conveyed by an appropriate exhaust system to the outside of the building. General dilution ventilation is not acceptable.
- Testing laboratory areas with equipment that uses gases, equipment detectors employing combustion or high-performance liquid chromatography (HPLC) mobile phase fluids containing acetonitrile shall have general ventilation that provides a minimum of 15 air changes per hour in addition to any necessary point source ventilation to control airborne contaminants.

CULTIVATION OPERATION REQUIREMENTS

Applicants submitting an application for Cultivation Operations shall provide proof of compliance with the following requirements:

- Provide cultivation requirements including site and cultivation plans as described in state regulations for cultivation.
- Partition material between grow spaces shall be made of an approved fire resistant material and rating.
- Carbon Dioxide (CO₂) enrichment systems shall be listed and labeled, properly installed and functioning with a concentration level of no more than 1500 ppm (parts per million)
- Any compressed gasses used in the enrichment process shall not be stored in containers that exceed a 150-pound tank size and shall be industry conforming.
- Compressed gas tanks shall be seismically restrained with cable or chain.
- Backflow prevention on hose bibs and faucets shall be required.
- All cultivation facilities shall be organized in orderly rows with aisles of at least three feet in width, and at least eight feet between aisle and next aisle or the aisle and a wall. Facility shall maintain clear access to all exits.
- Electrical:
 - Luminaries shall be approved for application.
 - Luminaries shall be properly installed/restrained.
 - All 120 volt outlets shall be GFI protected.
 - No cords shall be installed through holes, sleeves, ceilings, or where otherwise prohibited.
 - “No Storage” areas shall be outlined on floor in front of electrical panels.
- Clearly posted signage prohibiting employees from performing any manufacturing processes if under the influence of alcohol, cannabis, illegal drugs or other prescription medicines.

QUESTIONS

If you have any questions, please visit the Cannabis FAQs on the City’s website at www.groverbeach.org. Questions can also be email to commdev@groverbeach.org.