

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 16, CHAPTER 16.20, SECTION 16.20.020 AND CHAPTER 16.80, SECTION 16.80.195 OF THE STOCKTON MUNICIPAL CODE RELATING TO THE CANNABIS REGULATORY PROGRAM

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STOCKTON AS FOLLOWS:

SECTION I: AMENDMENT OF CODE

Title 16, Chapter 16.20, Section 16.20.020 is amended to read as follows:

16.20.020 Allowable land uses and permit requirements

A. Requirements for Primary Uses. Table 2-2 identifies the primary land uses for each zoning district, except the MX and UC zoning districts. It identifies whether the use is allowed or not allowed, and indicates which land use permit would be required, if necessary, to authorize the use. Building permits or other permits may also be required by the Municipal Code. The land uses identified in Table 2-2 are defined in Division 8 (Glossary).

1. Permit Requirements for Primary Uses. The permitting requirements identified in Table 2-2 are:

a. Permitted (P). All land uses shown with a "P" in the table are allowed subject to compliance with all applicable provisions of this Development Code. Site plan review (Chapter 16.152) is required for new construction or for a change to a more intensive use, except as provided by Section 16.152.040 (Exemptions).

b. Land Development Permit (L). All land uses shown as "L" in the table that require construction of new structures or improvements, the expansion of an existing facility, or a change to a more intensive use, as determined by the Director, require the approval of a land development permit (Chapter 16.136). If there will be no construction, expansion of an existing facility, or a change to a more intensive use, the use is allowed without a new land development permit.

c. Administrative Use Permit (A). All land uses shown with an "A" in the tables are allowed subject to the approval of an administrative use permit (Chapter 16.172). If there is an existing use permit for the use and there will be no new construction or expansion of an existing facility, no new use permit shall be required.

d. Commission Use Permit (C). All land uses shown with a "C" in the tables are allowed subject to the approval of a commission use permit

(Chapter 16.172). If there is an existing use permit for the use and there will be no new construction or expansion of an existing facility, no new use permit shall be required.

e. Not Allowed (Empty Box in Table). All land uses shown with an empty box in the table are not allowed in the applicable zoning district.

f. Not Allowed, Except Under Special Circumstances (E). All land uses shown with an “E” on the table are not allowed in the applicable zoning district, except under the special circumstances identified in the specific use standards in Division 3.

2. Uses With Specific Standards. All uses, regardless of the type of permit that may be required, shall comply with all applicable provisions of this Development Code. In addition, if there is a section number in the last column of the table (“Specific Use Standards”), the use is also subject to the referenced provisions.

3. Multiple Uses on a Single Site. Where a proposed project includes multiple land uses, and more than one type of land use permit is required, the most restrictive land use permit shall apply for all land uses.

4. Changes to an Approved Project. Changes to an approved project that required a land use permit shall be subject to the requirements of Chapter 16.104 (Changes to an Approved Project).

5. Uses Not Listed. Land uses that are not listed in Table 2-2 are not allowed, except as otherwise provided by Section 16.08.020(E) (Rules of interpretation—Allowable uses of land).

B. Allowable Uses and Permit Requirements for the MX, UC and PT Districts. The uses of land that may be allowed within the MX, UC and PT zoning districts and the land use permit requirements for each allowable use shall be identified in the master development plan applicable to the specific site, in compliance with Chapter 16.140 (Master Development Plans) and the Rough and Ready Island Development Plan for the Port of Stockton, CA for the PT zoning district (as applicable).

C. Overlay Zoning Districts. Development located in overlay zoning districts (Aircraft Operations Overlay District, Design Review Overlay District, Channel Area Overlay District, and Magnolia Historic Overlay District) shall be in compliance with Chapter 16.28 (Overlay Zoning District Land Use and Development Standards).

D. Accessory Uses. Accessory land uses are subject to the requirements of Section 16.80.020 (Accessory uses and structures).

E. Temporary Uses. Temporary uses are subject to the requirements of Chapter 16.164 (Temporary Activity Permits).

F. Freeway and Highway Oriented Uses. The following uses, when both located within 1,000 feet of Interstate 5, State Highway Route 4, or State Highway Route 99 and allowable through a Land Development Permit, Administrative Use Permit, or Commission Use Permit, shall be considered a Permitted (P) use:

1. Auto/Vehicle Services: Car Washes; and
2. Auto/Vehicle Services: Fueling Stations.

The measurement of distance under this provision shall be made from the outside boundaries of the respective freeway or highway right-of-way to the property line of the proposed use. This provision excludes land zoned MX, UC and PT.

TABLE 2-2
ALLOWABLE LAND USES AND PERMIT REQUIREMENTS

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT															SPECIFIC USE STANDARDS
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AGRICULTURAL AND RESOURCE-RELATED USES

	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
Agricultural activities & facilities	P											P	P		A	16.80.060
Cannabis cultivation											C	C	C		C	16.80.195
Community gardens	P	P	P	P	P	P	P	P	P	P	P	P		L	P	16.80.130
Conservation areas	L	L	L	L	L		L	L	L	L	L	L	L	L	L	
Market gardens/urban farms	L	A	A	A	P	P	P	P	P		P	P			P	16.80.135
Mining											A	A	A	A		
Urban agriculture	P	P	P	P	P	P	P	P	P		P	P			P	16.80.350

BUSINESS AND PROFESSIONAL USES

	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
Banks and financial services					P	P	P	P	P	P			P			
Business support services						P	P	P	P	P		P	P			
Offices					P	A	P	P	P	P		A	P	L		16.80.240

INDUSTRY, MANUFACTURING & PROCESSING USES

	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
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LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT													SPECIFIC USE STANDARDS	
Electricity generating plants/facilities other than nuclear											C	C	P	P	16.80.170
Electronics, equipment & appliance manufacturing											P	P	P		16.80.170
Fabric product manufacturing							P				P	P	P		16.80.170
Food and beverage product manufacturing							P				P	P	P		16.80.170
Furniture and fixtures manufacturing											P	P	P		16.80.170
Handcraft industries, small-scale manufacturing							P				P	P	P		16.80.170
Laundries and dry cleaning plants											P	P	P		16.80.170
Manufacturing															
Light											P	P	P		16.80.170
Heavy												A	P		16.80.170
Cannabis distribution											C	C	C		16.80.195
Cannabis manufacturer (volatile and non-volatile)											C	C	C		16.80.195
Cannabis, microbusiness						C**	C**	C**			C	C			16.80.195
Cannabis testing laboratory*					P	P	P	P	P		P	P			16.80.195
Metal products fabrication, machine/welding shops											P	P	P		16.80.170
Petroleum storage and distribution												A	P		16.80.170
Printing and publishing							P		L		P	P	P	L	16.80.170
Recycling and waste facilities															

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT														SPECIFIC USE STANDARDS		
Collection facility							L	L	L			P	P	P	L		16.80.290
Redemption centers																	
Major							C	C	C			C	C	C	C		16.80.290
Minor							A	A	A			A	A	A	A		16.80.290
Recycling facility													A	P	A		16.80.290
Scrap and dismantling yards													A	P			16.80.170
Transfer stations													C	P	A		16.80.290
Research & development (R&D)								A			L	P	P	P	L		16.80.170
Storage yards													P	P	P	L	16.80.170
Warehouses													P	P	P		16.80.170
Wholesaling and distribution								P					P	P	P		16.80.170

RECREATION, EDUCATION, AND PUBLIC ASSEMBLY USES

	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS		
Activity centers	A	A	A	A	A	A	A	A	A	L				A	L	C	
Adult related establishments							P	P	P								16.80.030
Auditoriums, meeting halls, and theaters						P	P	P	P	L					L		16.24.080 (B)(2) 16.24.090 (B) 16.24.110 (D) 16.24.180 (D)
Bridge clubs and nongambling board games					P	P	P	P	P	L							
Card rooms							C	C	C	L							16.80.040 16.80.040
Clubs, lodges, and private meeting halls					P	P	P	P	P	L	P			P	A		
Commercial amusement facilities						A	A	A	A	A	A						
Educational facilities																	

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT															SPECIFIC USE STANDARDS
Academic schools—Private	A	A	A	A	A			A	A	A						
Academic schools—Public	P	P	P	P											P	
Colleges and universities—Private			C				C									
Vocational and technical schools						P	P	P	P	P	P	P				
Equipment repair and maintenance training								P	P		A	P			L	
Specialized education and training						A	A	P	P	P	A	P		P	L	
Vehicle repair and maintenance training									P		A	P	P	P	L	
Truck and heavy equipment education and training												P	P	P	L	
Equestrian facilities	C											A	A		L	C
Golf courses/country clubs	C	C	C	C	C			A	A			A		P	L	A
Indoor recreation facilities								A	A	A	A	A		P	L	
Libraries and museums			C	C	C	P	P	P	P	P	P	P			L	A
Live entertainment							P	P	P	P					P	16.80.180
Marinas								C	C				C		A	A
Outdoor assembly facilities								A	A	A					L	
Outdoor commercial recreation facilities								C	C	C	C	C			A	
Parks and playgrounds	P	P	P	P	P	P	P	P	P						P	P

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT														SPECIFIC USE STANDARDS			
Pool halls/billiard parlors									C	C	L							16.80.040 16.80.270
Private entertainment facilities									C	C	C			C				
Private residential recreation facilities	A	A	A	A														16.80.030 16.80.270
Recreational vehicle parks									A	A				A			L	
Religious facilities	A	A	A	A	P	P	P	P	P	P	P	P				L		16.80.080
Studios					P	P	P	P	P	P	L							

RESIDENTIAL USES

	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS		
Accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs)	P	P	P	P	P	P	P	P						P			16.80.310
Caretaker and employee housing					P	P	P	P	P	P	P	L	L	L	L		
Dwelling group			P	P		P		P						L			
Duplexes		P	P	P				P						L			16.24.040
Mobile home parks		A	A	A			A	A									16.24.040
Multifamily dwellings			P	P	P	P	P	P						L			16.80.220
Co-living (dwelling unit facility)				A	A	A	A	A									16.80.225
Organizational houses				A				A									
Residential care facilities																	
Assisted living facilities	A		C	P	P	P	P	P						L			16.80.300
Care homes, 6 or fewer clients		P	P	P				P						P			
Family care homes, 7 or more clients	C			C				C						L			16.80.300

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT														SPECIFIC USE STANDARDS	
Senior care facilities, 7 or more clients			A	A	A					A					L	16.80.300
Rooming and boarding houses				A						A					L	
Senior residential projects			P	P	P	P	P	P							L	16.80.220
Single-family dwellings	P	P	P	P						P					L	
Townhouses		A	P	P	P	P	P	P							L	
Triplexes			P	P						A					L	

RETAIL TRADE

	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
Agricultural chemical sales												A	L	P		16.36.080
Alcoholic beverage sales																
Bars and nightclubs—On-sale						C	C	C	C							16.80.270
Sale of alcohol—Off-sale						C	C	C	C				C	C		16.80.040
With another use—On-sale						L	L	L	L				L	L		
Artisan shops					P	P	P	P	P	L	P					
Auto and vehicle sales—New								L		P						16.24.1120, 16.80.070, 16.80.330
Auto and vehicle sales—Used							L			A	L					16.24.1120, 16.80.070, 16.80.330
Auto and vehicle leasing/rental							A	L		A	L					16.80.070
Auto parts sales						P	P	P	P	A						
Building material stores						A	P	L	P		P					16.80.330

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT														SPECIFIC USE STANDARDS	
	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF		OS
Construction, farm & heavy equipment sales							A			A	P	P	P			16.80.330
Convenience stores						C	C	C	C							16.80.040, 16.80.140, 16.80.270
Furniture, furnishings, and appliance stores					C	P	P	P	P	P	P					16.80.330
Mobile home sales										A	P					16.80.330
Nurseries and garden supply stores	A				C	A	P	P	P	P	P					16.80.330
Outdoor retail sales and activities								A	A		A					16.80.260
Pet shops						P	P	P	P							
Recreational vehicle & boat sales—New/used								L		A	L					16.80.330
Restaurants					P	P	P	P	P	P				P		16.80.250
Retail stores				A	P	P	P	P	P	P	P			P		16.80.330
Secondhand stores/pawn shops							A	A	A							
Shopping centers																
Neighborhood								P	P							16.80.330
Community								P	P							16.80.330
Regional									P	P						16.80.330
Warehouse retail stores							C	C	C							16.80.330

SERVICES

	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS
Adult day care facilities					P	P	P	P	P				A	L	
Animal services															
Kennel and boarding facilities	A				A						A	A			
Pet grooming	A				A	P	P	P	P	L					
Training facilities	A				A		L	L		L	L	L			

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT														SPECIFIC USE STANDARDS	
Veterinary clinics and animal hospitals	A					A	C	P	P	P	P	P			16.80.370	
Auto/vehicle services																
Car washes							A	A	A	P	A		P			
Fueling stations						A	L	L	L	P	L		P		16.80.320, 16.80.340	
Inoperable vehicle storage												L	L			
Maintenance/minor repair						A	P	P	P	P	P	P	P	P	16.80.320	
Major repair/body work												P	P	P	P	16.80.340
Parking facilities		C	C	C	A	A	P	P	P	P	P	P	P	L	16.64.080	
Vehicle storage									L	P	P	P	P	L		
Cannabis retailer storefront					C	C	C	C	C	C	C	C	C	C	16.80.195	
Child care facilities																
Child care centers	C	C	C	C	P	P	P	P	P	P	P	P	P	P	16.80.100	
Large family child care homes	P	P	P	P	P	P	P	P	P	P	P	P	P	P	16.80.100	
Small family child care homes	P	P	P	P	P	P	P	P	P	P	P	P	P	P		
Equipment rental									L	P	A	P	P	P		
Funeral facilities and services																
Cemeteries		C	C	C	C	C	C	C	C	C	C	C	C	C		
Mortuaries							C	C	C	C	A	A	A	A		
Funeral homes					A	A	A	A	A	A	A	A	A	A		
Health/fitness facilities						P	P	P	P	P	L	L	L	L		
Lodging facilities																
Bed and breakfast		C	C	C	P	P	P	P	P	P	P	P	P	A	16.80.090	
Extended-stay facilities							P	P	P	P	P	P	P	P		
Hotels and motels					P	P	P	P	P	P	P	P	P	P		

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT														SPECIFIC USE STANDARDS	
Massage establishment																16.80.190
State certified					P	P	P	P	P							
Non-certified						C	C	A	A							
Medical services																
Ambulance service					A		P	P	P	L	P		P	L		
Clinics and laboratories					P	P	P	P	P	L			P	L		
Extended care	C	C	C	P	P		P	P						L		
Health-related					P	P	P		P					A		16.80.190
Hospitals					C		C	C						C		
Medical-related facilities					P	P	P	P	P					P		
Non-storefront cannabis retail operator permit (delivery only)					A	A	A	A	A	A	A					16.80.195
Personal services—Restricted						C	C	A	A							
Personal services—Unrestricted						P	P	P	P				P			
Personal storage facilities (mini-storage)							A		L	L	P	P	P			16.80.200
Repair services						P	P	P	P	P	P					
Sanitary services											C	A	P	L		16.36.080
Social services facilities																
Drug abuse, alcohol recovery/treatment facility					A		A	A						A		
Feeding centers								C			C	C		A		
Emergency shelters				C	C		C	C			P	P		P		16.80.155

LAND USES	PERMIT REQUIREMENT BY ZONING DISTRICT														SPECIFIC USE STANDARDS
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TRANSPORTATION AND COMMUNICATION USES

	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
Broadcasting studios						P	P	P	P	A	P	P	P	L		
Communications facilities																
Minor		E	E	E	P		P	P	P	P	P	P	P	P	P	Ch. 16.44
Major					A		A	A	A	A	A	P	P	A		Ch. 16.44
Transit stations and terminals							C	C			C	C	P	C		
Vehicle and freight terminals											P	P	P			

OTHER USES

	RE	RL	RM	RH	CO	CN	CG	CD	CL	CA	IL	IG	PT	PF	OS	
Live-work space				P	P	P	P	P	P		P					
Major impact facilities												C	C	C		
Motion picture production								P			P	P	P			
Multi-use facilities					P	P	P	P	P		A	A	P			16.80.230
Public and semipublic utility facilities	A	A	A	A	A	A	P	P	P	L	P	P	P	L		
Public institutions	C	C	C	C	C	C	C	C	C		C	C	L	L		
Signs—Off-premises							E	E	E		E	E	E	E		16.76.110

Key: P = Use permitted
C = Commission use permit required

L = Land development permit required
E = Use not allowed, except under special circumstances

A = Administrative use permit required
Empty box = Use not allowed

Notes:

See Section 16.20.020 for an explanation of the table and each land use permit requirement.

A use permit shall be required of any new commercial, industrial, institutional, or accessory use, or major addition that involves the manufacture, storage, handling, or processing of hazardous materials in compliance with Section 16.36.080 (Hazardous materials).

See Division 8 for definitions of the listed land uses.

Home occupations require a home occupation permit (Chapter 16.132).

- * Cannabis laboratories are not allowed to vertically integrate. This use is a stand-alone cannabis business and cannot be combined with any other cannabis business type.

** A microbusiness permit for a Retail/Distributor/Manufacturer (RDM) designation shall be allowed within Commercial, Office (CO), Commercial, General (CG), Commercial, Large-Scale (CL), if the retail component of the business floor area is 50% or more and no cultivation activities will take place as a part of the business.

SECTION II: AMENDMENT OF CODE

Title 16, Chapter 16.80, Section 16.80.195 is amended to read as follows:

16.80.195 Cannabis business types—Commission use permitting.

A. Retailer Operator Permit – Storefront (Retailer Operator)—Land Use Process.

1. **Eligible Applicants.** To apply for a commission use permit, a retailer operator permit applicant must first be selected from either the general pool or equity pool after submitting an intent to apply. Refer to subsection K of this section.
2. **Commission Use Permit Required.** A commission use permit is required to sell medical or adult-use cannabis at a retail location.
- ~~3. **Non-Storefront Retailer (Delivery Only).** At the time this code goes into effect, active retailer operators shall be permitted to engage in non-storefront retail (delivery only) by right. Operators must amend their operators permit and city business license.~~
34. **Operators Permit Required.** After acquiring a commission use permit, a retailer operator permit applicant must obtain and maintain at all times a valid cannabis operators permit as required by Chapter 5.100. An operators permit is required whether the retailer intends on selling medical and/or adult-use cannabis.
45. **Zoning Districts.** A retailer operator permit shall only be issued for property located in Commercial, Office (CO), ~~Commercial, Neighborhood (CN)~~, Commercial, General (CG), Commercial Downtown (CD), Commercial, Large-Scale (CL), Industrial, General (IG) or Industrial, Limited (IL) zones, as indicated in Table 2-2. They are also allowed in the Mixed Use (MX) zone.
56. **Location Requirements.** The following location requirements apply to all retailer operator permits:
 - a. No retailer operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone ~~or use~~;
 - b. No retailer operator shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any park, school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center, childcare center, child care, in-home (family day care home), religious facilities,

drug abuse, or alcohol recovery/treatment facility that is in existence at the time the land use permit is issued;

~~e. As permitted by 16 Cal. Code Regs. 5026(b), the Review Authority may waive the location requirements as provided in Chapter 16.176. Waivers shall only be considered for unique situations where the literal application of the distance requirement is not reasonable. Waiver determinations will be made on a case-by-case basis.~~

Only those uses established and in operation as of the date that the application for a retailer operator commission use permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.

~~Established and in Operation shall mean that the use has control of the location (whether owned or leased), has obtained all required licenses/permits/etc. and actively functioning in their specific business, enterprise, mission, or venture.~~

67. Conditions of Approval. The Planning Commission may address development and operational standards through conditions on the commission use permit as it is determined to be necessary or appropriate for the cannabis retailer operator commission use permit under consideration; provided, that conditions shall not conflict with the provisions of Chapter 5.100, relating to operating requirements of retailer operator permit and shall be subordinate to conditions placed on the retailer operator permit issued under Chapter 5.100.

78. Parking. Off-street parking shall be provided as required under Chapter 16.64.040, Table 3-9.

89. Application. The application for a commission use permit for a retailer operator permit shall include a floor plan, site plan, and neighborhood context map. The Director may also require more and/or different information, at his or her discretion.

949. Pre-Existing Cannabis Dispensaries—Nonconforming. No retailer operator permit operating or purporting to operate without a valid business license and commission use permit prior to the adoption of the ordinance codified in this section, shall be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such dispensary be deemed a legal nonconforming use under this Title 16.

1044. Additional Grounds for Revocation of Retailer Operator Permit Commission Use Permit. In addition to the grounds stated in Section 16.108.030(B) for revocation of a commission use permit, a commission use permit

for a retailer operator may be revoked on either of the following grounds in accordance with the procedure under Section 16.108.030(A):

- a. The retailer operator permit is operated in a manner that violates any of the provisions of State law or this code; or
- b. The retailer operator permit does not have a valid retailer operator permit in accordance with Chapter 5.100.

1142. Adult-Use Sales. Existing retailer operator permits in possession of a valid, active commission use permit, may also sell adult-use cannabis by-right with a valid amendment to their retailer operator permit in accordance with Chapter 5.100.

12. Existing Businesses Prior to July 16, 2019 – If a commission use permit was approved as of July 16, 2019, existing retail operators whose operations are located in the Industrial, Light (IL) or Industrial, General (IG) zone shall be permitted to engage in distribution, non-volatile manufacturing, non-storefront retail (delivery only), and cultivation by-right. Existing retail operators whose operations are located in the Commercial, Office (CO), Commercial, General (CG), Commercial Downtown (CD), Commercial, Large-Scale (CL), or Mixed Use (MX) zones shall be permitted to engage in non-storefront retail (delivery only) by-right. Operators must amend their operators permit and city business license to reflect the additional land-uses included in 16.80.195(A).12.

13. Transferability of Land-use – Transferring an existing retailer operator from existing location to another location shall comply with the following requirements:

- a. Comply with the location requirements under subsections 16.80.195.A.4 and 5.
- b. Voluntary surrender of a previously-approved commission use permit at the original/existing location from the property owner. The form of "Surrender of Use" shall be notarized by a notary public; and
- c. Apply for and obtain a new commission use permit.
- d. Participation in the cannabis lottery is not required.
- e. Equity applicants will be required to comply with requirements in subsection 16.80.195(K)(5)(a)(vii) and (viii).

~~13. **Distribution and Non-Volatile Manufacturing.** At the time this code goes into effect, existing retail operators whose operations are located in the Industrial, Light (IL) or Industrial, General (IG) zone shall be permitted to engage in distribution and non-volatile manufacturing by-right. Retail operators must amend their operators permit and City business license.~~

B. Non-Storefront Retail Operator Permit (Delivery Only)—Land Use Process.

1. **Administrative Use Permit Required. Except for existing business approved prior to July 16, 2019, which are regulated by SMC 16.80.195(A)**

and (C), aAn administrative use permit is required to establish and operate a non-storefront retail cannabis delivery business.

2. **Operator Permit Required.** After acquiring an administrative use permit, the non-storefront retail operator (delivery only) must obtain and maintain a valid cannabis business operators permit as required by Chapter 5.100.

3. **Zoning Districts.** A non-storefront retail operator permit (delivery only) shall only be issued for property located within the Commercial, Office (CO), ~~Commercial, Neighborhood (CN)~~, Commercial, General (CG), Commercial, Downtown (CD), Commercial, Large-Scale (CL), Industrial, Limited (IL), and Industrial, General (IG) as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.

4. **Location Requirements.** The following location requirements apply to all non-storefront retail operators (delivery only):

- a. No non-storefront operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone ~~or use~~;
- b. No non-storefront operator shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any park, school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center, childcare center, child care, in-home (family day care home), religious facilities, drug abuse, or alcohol recovery/treatment facility that is in existence at the time the land use permit is issued;
- c. ~~Only those uses established and in operation as of the date that the application for a non-storefront (delivery only) operator use permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.~~

~~Established and in Operation shall mean that the use has control of the location (whether owned or leased), has obtained all required licenses/permits/etc. and actively functioning in their specific business, enterprise, mission, or venture.~~

~~c. — As permitted by 16 Cal. Code Regs. 5026(b), the review authority may waive the location requirements as provided in Chapter 16.176. Waivers shall only be considered for unique situation where the literal application of the distance requirement is not reasonable. Waiver determinations will be made on a case-by-case basis.~~

5. **Conditions of Approval.** The administrator may address development and operational standards through conditions on the administrative use permit as it determined to be necessary or appropriate for the non-storefront operator permit (delivery only) administrative use permit under consideration; provided, that these conditions do not conflict with provisions of Chapter 5.100 relating to operating requirement of non-storefront operators (delivery only) sites and shall be subordinate to conditions placed on the cannabis operators permit issued under Chapter 5.100.

6. **Parking.** Off-street parking shall be provided as required under Section 16.64.040, Table 3-9.

7. **Application.** The application for an administrative use permit for a non-storefront operator site shall include a floor plan, site plan, and neighborhood context map. The Director may also require more and/or different information, at his or her discretion.

8. **Pre-Existing Cannabis Non-Storefront Operator (Delivery Only) Sites—Nonconforming.** No non-storefront operator (delivery only) operating or purporting to operate without a valid business license and administrative use permit prior to the adoption of the ordinance codified in this section, shall not be deemed, to have been a legally established use under the provision of this code, nor shall the operation of such non-store front (delivery only) operation site be deemed a legal nonconforming use under this Title 16.

9. **Additional Grounds for Revocation of Cannabis Non-Storefront Operation (Delivery Only) Site Administrative Use Permit.** In addition to the grounds stated in Section 16.108.030(B) for revocation of an administrative use permit, an administrative use permit for a non-storefront operator (delivery only) may be revoked on either of the following grounds in accordance with the procedure under Section 16.108.030(A):

- a. The non-storefront operator is operated in a manner that violates any of the provisions of State law or this code; or
- b. The non-storefront operator does not have a valid cannabis operator permit as required by Chapter 5.100.

10. **Transferability of Land-use – Transferring an existing non-storefront operator (delivery only) from existing location to another location shall comply with the following requirements:**

- a. Comply with the location requirements under subsections 16.80.195.B.3 and 4.
- b. Voluntary surrender a previously-approved administrative use permit at the original/existing location from the property owner. The form of “Surrender of Use” shall be notarized by a notary public; and
- c. Apply for and obtain a new administrative use permit.

d. Participation in the cannabis lottery is not required.

C. **Cultivator Operator Permit Application (Cultivator Operator).**

~~1. **Eligible Applicants.** To apply for a cultivator commission use permit, an applicant must first be selected from either the general pool or equity pool after submitting an intent to apply. Refer to subsection K of this section.~~

~~1.2. **Commission Use Permit Required.** A commission use permit is required to establish or operate a cannabis cultivation operation.~~

~~2.3. **Adult-Use Cannabis Cultivation.** A permitted medical cannabis cultivation site is allowed to grow adult-use cannabis by-right.~~

~~4. **Distribution.** At the time this code goes into effect, active cultivator operators shall be permitted to engage in distribution by-right. Operators must amend their operators permit and City business license.~~

~~5. **Non-Volatile Manufacturing.** At the time this code goes into effect, active cultivator operators shall be permitted to engage in non-volatile manufacturing by-right. Operators must amend their operators permit and City business license.~~

~~6. **Non-Storefront Retailer (Delivery Only).** At the time this code goes into effect, active cultivator operators shall be permitted to engage as a non-storefront retailer by-right. Operators must amend their operators permit and City business license.~~

~~3. **Existing Businesses Prior to March 5, 2019** – If a commission use permit was approved as of March 5, 2019, existing cultivator operators shall be permitted to engage in distribution, non-volatile manufacturing, and non-storefront retail (delivery only) by right. Operators must amend their operators permit and city business license to reflect the additional land-uses included in 16.80.195.C.3.~~

~~4.7. **Operators Permit Required.** After acquiring a commission use permit, a cannabis cultivation site must obtain and maintain at all times a valid cannabis operators permit as required by Chapter 5.100.~~

~~5.8. **Zoning Districts.** A cultivator operator permit shall only be issued for property located within the Industrial, Limited (IL), Industrial, General (IG), Port (PT), or Open Space (OS), as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.~~

~~6.9. **Location Requirements.** The following location requirements apply to all cannabis cultivator operators:~~

- a. No cultivator operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone ~~or use~~;
- b. No cultivator operator shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any park, school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center, childcare center, child care, in-home (family day care home), religious facilities, drug abuse, or alcohol recovery/treatment facility that is in existence at the time the land use permit is issued;
- c. Only those uses established and in operation as of the date that the application for a cultivator commission use permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.

~~Established and in Operation shall mean that the use has control of the location (whether owned or leased), has obtained all required licenses/permits/etc. and actively functioning in their specific business, enterprise, mission, or venture.~~

~~c. — As permitted by 16 Cal. Code Regs. 5026(b), the review authority may waive the location requirements as provided in Chapter 16.176. Waivers shall only be considered for unique situation where the literal application of the distance requirement is not reasonable. Waiver determinations will be made on a case-by-case basis.~~

~~7.40.~~ **Limit on Growth Square Footage.** The cumulative area of total canopy size on the premises of a cultivator operator shall not exceed 22,000 square feet.

~~8.11.~~ **Conditions of Approval.** The Planning Commission may address development and operational standards through conditions on the commission use permit as it is determined to be necessary or appropriate for the cultivator operator commission use permit; provided, that conditions do not conflict with the provisions of Chapter 5.100 relating to operating requirements of cultivator operator and shall be subordinate to conditions placed on the cultivator operator permit issued under Chapter 5.100.

~~9.12.~~ **Parking.** Off-street parking shall be provided as required under Section 16.64.040, Table 3-9.

~~10.13.~~ **Application.** The application for a commission use permit for a cultivator operator shall include a floor plan, site plan, and neighborhood

context map. The Director may also require more and/or different information, at his or her discretion.

11.44. Pre-Existing Cannabis Cultivation Sites—Nonconforming. No cultivator operator operating or purporting to operate without a valid business license and commission use permit prior to the adoption of the ordinance codified in this section, shall be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such cultivation site be deemed a legal nonconforming use under this Title 16.

12.45. Additional Grounds for Revocation of Cultivator Operator Commission Use Permit. In addition to the grounds stated in Section 16.108.030(B) for revocation of a commission use permit, a commission use permit for a cultivator operator may be revoked on either of the following grounds in accordance with the procedure under Section 16.108.030(A):

- a. The cultivator operator is operated in a manner that violates any of the provisions of State law or this code; or
- b. The cultivator operator does not have a valid cannabis operator permit as required by Chapter 5.100.

13.46. Retail Storefront Operation. ~~If a commission use permit was approved as of July 16, 2019, At the time this code goes into effect, existing~~ cultivator operators shall be permitted to engage in retail storefront operations by-right. Operators must amend their operators permit and City business license ~~to reflect the additional land-use included in 16.80.195.C.13.~~

14. Transferability of Land-use – Transferring an existing cultivator operator from existing location to another location shall comply with the following requirements:

- a. Comply with the location requirements under subsections 16.80.195.C.5 and 6.
- b. Voluntary surrender a previously-approved commission use permit at the original/existing location from the property owner. The form of “Surrender of Use” shall be notarized by a notary public; and
- c. Apply for and obtain a new commission use permit.
- d. Participation in the cannabis lottery is not required.
- e. Equity applicants will be required to comply with requirements in subsection 18.80.195(K)(5)(a)(viii).

D. Volatile Manufacturer Operator Permit Applicant (Volatile Manufacturer Operator).

~~1.—Eligible Applicants. To apply for a volatile manufacturer operator commission use permit, an applicant must first be selected from either the general pool or equity pool after submitting an intent to apply. Refer to subsection K of this section.~~

1.2. Commission Use Permit Required. A commission use permit is required to engage in commercial volatile manufacturing of cannabis.

2.3. Operators Permit Required. After acquiring a commission use permit, a volatile manufacturer operator must obtain and maintain at all times a valid cannabis operators permit as required by Chapter 5.100.

3.4. Zoning Districts. A volatile manufacturer operator permit shall only be issued for property located within the Industrial, Limited (IL), Industrial, General (IG), or Port (PT) as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.

4.5. Location Requirements. The following location requirements apply to all cannabis volatile manufacturers.

- a. No volatile manufacturer operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone ~~or use~~;
- b. No volatile manufacturer operator shall be established or located within 600 feet measured from the nearest property lines of each of the affected parcels, of any park, school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center, childcare center, child care, in-home (family day care home), religious facilities, drug abuse, or alcohol recovery/treatment facility that is in existence at the time the land use permit is issued;
- c. ~~Only those uses established and in operation as of the date that the application for a volatile manufacturer commission use permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.~~

~~Established and in Operation shall mean that the use has control of the location (whether owned or leased), has obtained all required licenses/permits/etc. and actively functioning in their specific business, enterprise, mission, or venture.~~

~~As permitted by 16 Cal. Code Regs. 5026(b), the review authority may waive the location requirements as provided in Chapter 16.176. Waivers shall only be considered for unique situation where the literal application of the distance requirement is not reasonable. Waiver determinations will be made on a case-by-case basis.~~

5.6. Conditions of Approval. The Planning Commission may address development and operational standards through conditions on the commission use permit as it is determined to be necessary or appropriate for the volatile manufacturer operator commission use permit under consideration; provided, that conditions shall not conflict with the provisions of Chapter 5.100, relating to operating requirements of volatile manufacturer operator and shall be subordinate to conditions placed on the cannabis operators permit issued under Chapter 5.100.

6.7. Parking. Off-street parking shall be provided as required under Section 16.64.040, Table 3-9.

7.8. Application. The application for a commission use permit for a volatile manufacturer operator shall include a floor plan, site plan, and neighborhood context map. The Director may also require more and/or different information, at his or her discretion.

8.9. Pre-Existing Cannabis Volatile Manufacturers—Nonconforming. No volatile manufacturer operator operating or purporting to operate without a valid business license and commission use permit prior to the adoption of the ordinance codified in this section, shall be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such manufacturing be deemed a legal nonconforming use under this Title 16.

9.40. Additional Grounds for Revocation of Volatile Manufacturer Operator Commission Use Permit. In addition to the grounds stated in Section 16.108.030(A):

- a. The cannabis volatile manufacturer operator is operated in a manner that violates any of the provision of State law or this code; or
- b. The volatile manufacturer operator does not have a valid cannabis manufacturer operators permit required by Chapter 5.100.

10. Transferability of Land-use – Transferring an existing volatile manufacturer operator from existing location to another location shall comply with the following requirements:

- a. Comply with the location requirements under subsections 16.80.195.D.3 and 4.
- b. Voluntary surrender a previously-approved commission use permit at the original/existing location from the property owner. The form of “Surrender of Use” shall be notarized by a notary public; and
- c. Apply for and obtain a new commission use permit.
- d. Participation in the cannabis lottery is not required.
- e. Equity applicants will be required to comply with requirements in subsection 18.80.195(K)(5)(a)(viii).

E. Non-Volatile Manufacturer Operator Permit Applicant (Manufacturer Operator).

1. **Commission Use Permit Required.** A commission use permit is required to engage in commercial non-volatile manufacturing of cannabis.
2. **Operators Permit Required.** After acquiring a commission use permit, a non-volatile manufacturer operator must obtain and maintain at all times a valid cannabis operators permit as required by Chapter 5.100.
3. **Zoning Districts.** A non-volatile manufacturer operator permit shall only be issued for property located within the Industrial, Limited (IL), Industrial, General (IG), or Port (PT) as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.
4. **Location Requirements.** The following location requirements apply to all cannabis non-volatile manufacturers:
 - a. No non-volatile manufacturer operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone **or use**;
 - b. No non-volatile manufacturer operator shall be established or located within 600 feet measured from the nearest property lines of each of the affected parcels, of any park, school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center, childcare center, child care, in-home (family day care home), religious facilities, drug abuse, or alcohol recovery/treatment facility that is in existence at the time the land use permit is issued;
 - c. ~~Only those uses established and in operation as of the date that the application for a non-volatile commission use permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.~~

~~Established and in Operation shall mean that the use has control of the location (whether owned or leased), has obtained all required licenses/permits/etc. and actively functioning in their specific business, enterprise, mission, or venture.~~

~~As permitted by 16 Cal. Code Regs. 5026(b), the review authority may waive the location requirements as provided in Chapter 16.176. Waivers shall only be considered for unique situation where the literal application of the distance requirement is not reasonable. Waiver determinations will be made on a case-by-case basis.~~

5. **Conditions of Approval.** The Planning Commission may address development and operational standards through conditions on the commission use permit as it is determined to be necessary or appropriate for the non-volatile manufacturer operator commission use permit under consideration; provided, that conditions shall not conflict with the provisions of Chapter 5.100, relating to operating requirements of non-volatile manufacturer operator and shall be subordinate to conditions placed on the cannabis operators permit issued under Chapter 5.100.

6. **Parking.** Off-street parking shall be provided as required under Section 16.64.040, Table 3-9.

7. **Application.** The application for a commission use permit for a non-volatile manufacturer operator shall include a floor plan, site plan, and neighborhood context map. The Director may also require more and/or different information, at his or her discretion.

8. **Pre-Existing Cannabis Non-Volatile Manufacturers—Nonconforming.** No non-volatile manufacturer operator operating or purporting to operate without a valid business license and commission use permit prior to the adoption of the ordinance codified in this section, shall be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such non-volatile manufacturing be deemed a legal nonconforming use under this Title 16.

9. **Additional Grounds for Revocation of a Non-Volatile Manufacturer Operator Commission Use Permit.** In addition to the grounds stated in Section 16.108.030(A):

- a. The cannabis non-volatile manufacturer operator is operated in a manner that violates any of the provision of State law or this code; or
- b. The non-volatile manufacturer operator does not have a valid cannabis non-volatile manufacturer operators permit required by Chapter 5.100.

10. **Transferability of Land-use – Transferring an existing non-volatile manufacturer operator from existing location to another location shall comply with the following requirements:**

- a. Comply with the location requirements under subsections 16.80.195.E.3 and 4.
- b. Voluntary surrender a previously-approved commission use permit at the original/existing location from the property owner. The form of "Surrender of Use" shall be notarized by a notary public; and
- c. Apply for and obtain a new commission use permit.
- d. Participation in the cannabis lottery is not required.

F. Distributor Operator Permit Applicant (Distributor Operator).

1. **Commission Use Permit Required.** A commission use permit is required to establish or operate a distributor operator permit, except as otherwise noted for existing cannabis cultivations.

2. **Operators Permit Required.** After acquiring a commission use permit, distributor operators must obtain and maintain at all times a valid cannabis operators permit as required by Chapter 5.100.

3. **Zoning Districts.** A distributor operator permit shall only be issued for property located within the Industrial, Limited (IL), Industrial, General (IG), or Port (PT) as indicted in Table 2-2. They are also allowed in Mixed Use (MX) zones.

4. **Location Requirements.** The following location requirements apply to all distributor operator:

- a. No distributor operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone ~~or use~~;
- b. No distributor operator shall be established or located within 600 feet measured from the nearest property lines of each of the affected parcels, of any park, school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center, childcare center, child care, in-home (family day care home), religious facilities, drug abuse, or alcohol recovery/treatment facility that is in existence at the time the land use permit is issued;
- c. ~~Only those uses established and in operation as of the date that the application for a distributor commission use permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.~~

~~Established and in Operation shall mean that the use has control of the location (whether owned or leased), has obtained all required licenses/permits/etc. and actively functioning in their specific business, enterprise, mission, or venture.~~

~~As permitted by 16 Cal. Code Regs. 5026(b), the Review Authority may waive the location requirements as provided in Chapter 16.176. Waivers shall only be considered for unique situation where the literal application of the distance requirement is not reasonable. Waiver determinations will be made on a case-by-case basis.~~

5. **Conditions of Approval.** The Planning Commission may address development and operational standards through conditions on the commission use permit as it is determined to be necessary or appropriate for the distributor operator commission use permit under consideration; provided, that conditions shall not conflict with the provisions of Chapter 5.100 relating to operating requirements of distributor operator sites and shall be subordinate to conditions placed on the cannabis distributor operators permit issued under Chapter 5.100.

6. **Parking.** Off-street parking shall be provided as required under Section 16.64.040, Table 3-9.

7. **Application.** The application for a commission use permit for a distributor operator site shall include a floor plan, site plan, and neighborhood context map. The Director may also require more and/or different information, at his or her discretion.

8. **Pre-Existing Cannabis Distributor Sites—Nonconforming.** No distributor operator operating or purporting to operate without a valid business license and commission use permit prior to the adoption of the ordinance codified in this section, shall not be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such cultivation site be deemed a legal nonconforming use under this Title 16.

9. **Additional Grounds for Revocation of Cannabis Distributor Site Commission Use Permit.** In addition to the grounds stated in Section 16.108.030(B) for revocation of a commission use permit, a commission use permit for a distributor operator may be revoked on either of the following ground in accordance with the procedure under Section 16.108.030(A):

- a. Distributor operator site is operated in a manner that violates any of the provisions of State law or this code; or
- b. The distributor operator site does not have a valid cannabis operators permit as required by Chapter 5.100

10. **Transferability of Land-use – Transferring an existing distributor operator from existing location to another location shall comply with the following requirements:**

- a. Comply with the location requirements under subsections 16.80.195.F.3 and 4.
- b. Voluntary surrender a previously-approved commission use permit at the original/existing location from the property owner. The form of "Surrender of Use" shall be notarized by a notary public; and
- c. Apply for and obtain a new commission use permit.
- d. Participation in the cannabis lottery is not required.

G. Testing Laboratory Operator Permit Applicant (Testing Laboratory Operator).

1. **Land Use Requirement.** Testing laboratories land use is allowed by-right. All other requirements set forth in this section must be met.
2. **Operators Permit Required.** The testing laboratory operator must obtain and maintain a valid cannabis testing facility permit as required by Chapter 5.100.
3. **Zoning Districts.** A testing laboratory operator permit shall only be issued for property located within the Commercial, Office (CO), Commercial, Neighborhood (CN), Commercial, General (CG), Commercial, Downtown (CD), Commercial, Large-Scale (CL), Industrial, Limited (IL), or Industrial, General (IG), as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.
4. **Location Requirements.** The following location requirements apply to all testing laboratory operators:
 - a. No testing operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone ~~or use~~;
 - b. No testing operator shall be established or located within 600 feet measured from the nearest property lines of each of the affected parcels, of any park, school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center, childcare center, child care, in-home (family day care home), religious facilities, drug abuse, or alcohol recovery/treatment facility that is in existence at the time the land use permit is issued;
 - c. Testing facilities are not allowed to vertically integrate or have other cannabis business types as a part of the business.
 - ~~d. As permitted by 16 Cal. Code Regs. 5026(b), the review authority may waive the location requirements as provided in Chapter 16.176. Waivers shall only be considered for unique situation where the literal application of the distance requirement is not reasonable. Waiver determinations will be made on a case-by-case basis.~~
 - d. Only those uses established and in operation as of the date that the application for a testing laboratory operator permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.

Established and in Operation shall mean that the use has control of the location (whether owned or leased), has obtained all required licenses/permits/etc. and actively functioning in their specific business, enterprise, mission, or venture.

5. **Parking.** Off-street parking shall be provided as required under Section 16.64.040, Table 3-9.

6. **Pre-Existing Cannabis Testing Facility Sites—Nonconforming.** No testing laboratory operator operating or purporting to operate without a valid business license and operators permit prior to the adoption of the ordinance codified in this section, shall be deemed to have been a legally established use under the provisions of this code, nor shall the operation of such testing site be deemed a legal nonconforming use under this Title 16.

7. **Additional Grounds for Revocation of Cannabis Testing Facility Site By-Right Allowance.** The land use rights for a testing laboratory operator may be revoked on either of the following grounds:

- a. The testing laboratory operator is operated in a manner that violates any of the provisions of State law or this code; or
- b. The testing laboratory operator does not have a valid testing cannabis operator permit as required by Chapter 5.100.

H. **Microbusiness Operator Permit—Land Use Process.**

- 1. **Eligible Applicants.** To apply for a microbusiness operator commission use permit, an applicant must first be selected from either the general pool or equity pool after submitting an intent to apply. Refer to subsection K of this section.
- 2. **Use Permits Required.** Based on subtype, the following use permits are required to establish and operate a microbusiness:

RDC		RDM	
Retailer or	CUP	Retailer or	CUP
Retailer (Non-Storefront)	AUP	Retailer (Non-Storefront)	AUP
Distributor or	CUP	Distributor or	CUP
Distributor (Transport Only)	CUP	Distributor (Transport Only)	CUP
Cultivation (less than 10,000 sq. ft.)	CUP	Manufacturer (Level 1, Type 6)	CUP
RCM		DCM	
Retailer or	CUP	Distributor or	CUP
Retailer (Non-Storefront)	AUP	Distributor – Transport Only	CUP

Cultivation (less than 10,000 sq. ft.)	CUP	Cultivation (less than 10,000 sq. ft.)	CUP
Manufacturer (Level 1, Type 6)	CUP	Manufacturer (Level 1, Type 6)	CUP

In the case of microbusinesses only, the multiple commission use permit application requirement shall be processed as a single commission use permit application for review and approval by the Planning Commission.

3. **Operator Permit Required.** After acquiring the required use permits, the microbusiness must obtain and maintain a valid cannabis operators permit as required by Chapter 5.100.

In the case of microbusinesses only, a single cannabis business operators permit application addressing all subtypes (as submitted by the applicant) shall be processed for review and approval by the Chief of Police.

4. **Zoning Districts.** A microbusiness permit shall only be issued for property located within the Industrial, Limited (IL) and Industrial, or General (IG) zones, as indicated in Table 2-2. They are also allowed in Mixed Use (MX) zones.

A microbusiness permit for a Retail/Distributor/Manufacturer (RDM) designation shall be allowed within Commercial, Office (CO), Commercial, General (CG), Commercial, Large-Scale (CL), if the retail component of the business floor area is 50% or more and no cultivation activities will take place as a part of the business operations.

5. **Location Requirements.** The following location requirements apply to all cannabis microbusiness:

- a. In the case of microbusinesses with non-storefront operator (delivery only), microbusiness must be located within a fully-enclosed building and the interior of the building must not be visible from the public right-of-way;
- b. No microbusiness operator shall be established or located within 300 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone **or use**;
- c. No microbusiness operator shall be established or located within 600 feet measured from the nearest property lines of each of the affected parcels, of any park, school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center, childcare center, child care, in-home (family day care home), religious facilities, drug abuse, or alcohol

recovery/treatment facility that is in existence at the time the land use permit is issued;

- d. Only those uses established and in operation as of the date that the application for a microbusiness operator commission use permit is determined or deemed to be complete shall be considered for purposes of determining whether the location requirements are met.

Established and in Operation shall mean that the use has control of the location (whether owned or leased), has obtained all required licenses/permits/etc. and actively functioning in their specific business, enterprise, mission, or venture.

~~As permitted by 16 Cal. Code Regs. 5026(b), the review authority may waive the location requirements as provided in Chapter 16.176. Waivers shall only be considered for unique situation where the literal application of the distance requirement is not reasonable. Waiver determinations will be made on a case-by-case basis.~~

6. **Conditions of Approval.** The administrator may address development and operational standards through conditions on the administrative use permit as it is determined to be necessary or appropriate for the microbusiness use permit(s) under consideration; provided, that these conditions do not conflict with provisions of Chapter 5.100 relating to operating requirement of microbusiness sites and shall be subordinate to conditions placed on the cannabis operators permit issued under Chapter 5.100.

7. **Parking.** Off-street parking shall be provided as required under Section 16.64.040, Table 3-9.

8. **Application.** The application for a use permit for a microbusiness site shall include a floor plan, site plan, and neighborhood context map. The Director may also require more and/or different information, at his or her discretion.

9. **Pre-Existing Cannabis Microbusiness Sites—Nonconforming.** No microbusiness operating or purporting to operate without a valid business license and required use permit(s) prior to the adoption of the ordinance codified in this section, shall not be deemed, to have been a legally established use under the provision of this code, nor shall the operation of such microbusiness operation site be deemed a legal nonconforming use under this Title 16.

10. **Additional Grounds for Revocation of Cannabis Microbusiness Site Use Permit.** In addition to the grounds stated in Section 16.108.030(B) for

revocation of a use permit, a use permit for a microbusiness may be revoked on either of the following grounds in accordance with the procedure under Section 16.108.030(A).

- a. The microbusiness is operated in a manner that violates any of the provisions of State law or this code; or
- b. The microbusiness does not have a valid cannabis operator permit as required by Chapter 5.100.

11. Transferability of Land-use – Transferring an existing microbusiness operator from existing location to another location shall comply with the following requirements:

- a. Comply with the location requirements under subsection 16.80.195.H.4 and 5.
- b. Voluntarily surrender a previously-approved commission use permit at the original/existing location from the property owner. The form of “Surrender of Use” shall be notarized by a notary public; and
- c. Apply for and obtain a new commission use permit.
- d. Participation in the cannabis lottery is not required.
- e. Equity applicants will be required to comply with requirements in subsections 16.80.195.K.5.a.vii and viii.

I. Prohibition of Certain Cannabis Businesses. The following cannabis businesses shall be prohibited in the City of Stockton:

- a. Any cannabis business engaging in the sale of medical or adult-use cannabis or cannabis products at a location other than that permitted through a cannabis operators permit.

J. Prohibition of Outdoor Personal Cannabis Cultivation.

1. Cannabis cultivation for personal use must be located inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure.
2. All cannabis cultivation for personal use within a private residence must be conducted in a manner that prevents cannabis plants from being visible from any street, sidewalk, or other place freely accessible by the public and prevents the odor of cannabis from permeating beyond the boundaries of the parcel or property where the indoor cultivation is occurring.

K. Limited Cannabis Business Expansion Process—Equity Program.

1. **Program Intent.** The goal of the equity program is to promote equitable business ownership opportunities in the cannabis industry in order to decrease disparities in life outcomes for marginalized communities and address the disproportionate impacts of cannabis in adversely-impacted and lower income communities.

2. The City's ~~shall create an~~ equity program ~~shall to~~ aid those persons from economically disadvantaged communities that experience high rates of poverty.
3. To qualify to be an equity applicant, greater than 50 percent of the ownership, as determined by equity sharing, for the permit must be:
 - a. A resident of Stockton ~~for five (5 years);~~ AND
 - b. ~~Either One of the following: be an MBE/WBE business, live in an opportunity zone,~~ live in the SB 535 disadvantaged area or Kelly Drive neighborhood as defined by the City Council, or demonstrate low-income status; ~~or live in a HUD designated area.~~
4. On an annual basis, the City of Stockton shall allow for the following numbers of new permits for ~~the following~~ cannabis businesses ~~types~~:
 - a. Two (2) retailer storefront commission use permits.
 - ~~b. Two (2) cultivator commission use permits.~~
 - ~~c. Two (2) volatile manufacturer commission use permits.~~
 - bd. Two (2) microbusiness commission use permits.

~~There are no annual limits (i.e. caps) on the following cannabis business types: Non-storefront retail (delivery only), Cultivator, Volatile Manufacturer, Non-Volatile Manufacturer, Distributor, and Testing Laboratory.~~

5. Permits shall be issued in the following manner:
 - a. **Lottery System.**
 - i. All applicants, equity and nonequity, shall annually submit an intent to apply ~~via a City-approved Lottery Application form with paperwork that provides the address that the applicant intends to use for their commission use permit application. proves that the applicant has identified property.~~ The submitted address shall ~~that~~ meet all City locational criteria and zoning requirements. All lottery applications for the year will be due by a date determined ~~and publicly advertised~~ by the City.
 - ii. If the applicant wishes to be designated as an equity applicant, ~~then~~ they must submit ~~paperwork verification~~ establishing that over 50 percent of the business owners, as determined by equity sharing, meet the requirements as listed. All applicants wishing to be designated as an equity applicant must do so at the time of submitting an intent to apply for a permit.
 - iii. After closing the application process, the City will randomly select one (1) application from the general pool first for each of the following permit types: retail operator, ~~cultivator operator and volatile manufacturer operator,~~ and microbusiness. Then the City will randomly select one (1) application from the equity applicants for each of the following permit types: retail operator, ~~cultivator operator,~~

~~volatile manufacture operator, and microbusiness. Equity applicants are placed in both the general pool and the equity pool. Lottery winners are then eligible to submit a Conditional Use Permit application in accordance with SMC chapter 16.168.~~

~~(A) Selection as lottery winner entitles the applicant to one Commission Use Permit application submittal.~~

~~iv. All land-use applications are required to be submitted to the City within 90 days of the date of the notification of winning the cannabis commercial lottery. Nonsubmittal within the 90-day timeframe shall be grounds for revocation of lottery winner status.~~

~~iv. Lottery winners All applications must show continual good faith efforts to obtain their Commission Use permit, per Development Code standards, or else communicate that they are he or she is no longer pursuing the use permit application and are withdrawing their application.~~

~~If the City determines that the application is not progressing, the City shall notify the applicant of the intent to deny the application and the required next steps for the applicant to rectify. The applicant shall have 30 days from the date of the issuance of the notification to meet the next steps, or the application shall be denied.~~

~~vi. As per Sections iv and v above, if a lottery winner status is revoked for non-submittal, , the applicant decides to withdraw not to pursue their lottery application, or the Commission Use Permit is denied, the City shall select at random from the lottery pool of applicants from which the denied or abandoned application was selected. Lottery applications not initially selected from either the general or equity pool are considered active until December 31st of each year.~~

~~vii. If an applicant is seeking to permit the following commercial cannabis types: non-volatile manufacture, distribution, testing laboratory, and non-storefront retailer (delivery only); they will not be subject to the lottery system. There are no limitations on the number of land use permits allowed for said commercial cannabis business types.~~

~~vii. All equity applicants must remain over 50% owner of the cannabis business at least five (5) years from the date of the operators permit approval.~~

~~(A) Equity Applicants may be allowed to sell their interest/business prior to the 5-year requirement if~~

they encounter undue financial hardship. Qualifying undue financial hardship is as follows:

- (1) Equity Applicant's debt exceeds the amount earned monthly to run the business evidenced by a letter explaining the financial hardship and documentation of financial burden; or
- (2) Equity Applicant's debt exceeds the amount earned monthly to run the business due to circumstances beyond the Equity Applicant's control evidenced by a letter explaining the financial hardship and documentation of the hardship. Circumstances beyond the Equity Applicant's control include: injury, illness, natural disasters, death, divorce, and military deployment.

viii. **Annual Metrics.** All equity applicants shall annually report City-requested metrics for tracking purposes for a minimum of five (5) years from the date of the operators permit approval.

b. **Exemptions.** Cultivators, Testing laboratory, non-storefront retailer, distributor, volatile manufacturer and non-volatile manufacturer permits shall not be subject to the lottery system as described in this title. There are no limitations on the number of land use permits allowed for said commercial cannabis business types.

6. Equity Applicants – Applicants who qualify as equity applicants, per the requirement set forth in 16.80.195(K)(3), regardless of cannabis business type are subject to the following additional resources, provided by the City, subject to availability of resources:

- a. Technical Assistance (i.e. entrepreneur seminars or courses, etc.)
- b. Financial Incentives (i.e. zero/low interest rate loans, or fee waiver)

Equity applicants that receive either of the resources listed in subsection 16.80.195.K.6 shall be required to comply with requirements in subsection 16.80.195.K.5.a.vii and viii.

L. **Administrative Guidelines.** In addition to rules and regulations that may be established by the City Council pursuant to Section 16.80.195 of this Code, the City Manager may establish and amend administrative guidelines as needed to administer this chapter. The administrative guidelines shall have the force of law and shall be enforceable in the same manner and to the same extent as the provisions of this chapter. The administrative guidelines referenced herein shall be one and the same as those referenced in Section 5.100.300 of this code.

SECTION III: SEVERABILITY

If any of this ordinance or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given without the invalid provision or application, and to this end, the provisions of this act are severable.

SECTION IV: EFFECTIVE DATE

The Ordinance shall take effect and be in full force thirty (30) days after its passage.

ADOPTED: _____

EFFECTIVE: _____

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton

DRAFT - Option 1