



## PLANNING COMMISSION STAFF REPORT

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**TO:** Honorable Chair & Planning Commission **DATE:** May 1, 2018

**FROM:** Bruce Buckingham, Community Development Director

**PREPARED BY:** Bruce Buckingham, Community Development Director  
David Hale, City Attorney

**SUBJECT:** Development Application 18-14 – City request to Amendment Municipal Code Article IX and the Local Coastal Program to amend Sections 4.10.045, 6.10.020 and 9.10.020 to allow adult cannabis uses and modify the Review Authority

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### **RECOMMENDATION**

Staff recommends that the Planning Commission recommend the City Council approve an amendment to Municipal Code Article IX and the Local Coastal Program to allow adult-use cannabis uses and authorize the Planning Commission to be the Review Authority for non-retailer commercial cannabis uses.

### **BACKGROUND**

In 2017, the City Council adopted two ordinances to allow commercial medical cannabis uses in the City. The land use ordinance established requirements that allow medical cannabis uses, including cultivation, manufacturing, distribution, testing laboratories and up to four dispensaries subject to approval of a Use Permit (reference Attachment 2). The regulatory ordinance established the regulatory framework for those uses subject to approval of a Commercial Cannabis Permit. The current land use ordinance requires the City Council approval all Use Permits for commercial cannabis uses with the Planning Commission providing a recommendation to the Council.

#### **Project Description**

Based on the direction from the Council at its April 2, 2018 meeting, staff has prepared an amendment to the commercial cannabis land use ordinance and Local Coastal Program Amendment for the Commission to consider as follows:

- Revise Section 4.10.045.A to allow adult-use (also referred to as recreational use) for all commercial cannabis uses (i.e., cultivation, manufacturing, distribution, testing laboratories and retailers);
- Revise Sections 4.10.045.B and 6.10.020 to allow the Planning Commission to be the Review Authority for all non-retailer uses (the Council would remain the Review Authority for retail uses); and
- Revise Section 9.10.020 to revise the definition of “Commercial Cannabis Uses” to include adult use.

In addition, the Council directed staff to amend the regulatory ordinance, including the use of additional volatile compounds, other than only ethanol, associated with Level 2 manufacturing. However, the regulatory ordinance is not under the purview of the Planning Commission since it is not land use related. Therefore, the Planning Commission will review and consider a

recommendation to the Council only on the land use ordinance amendment. The proposed amendments to the land use and regulatory ordinances are tentatively scheduled for the May 7, 2018 Council meeting.

#### Development Code Amendment

As directed by the Council, the proposed amendment would allow both adult use and medical cannabis uses for all current commercial cannabis uses (i.e., cultivation, manufacturing, distribution, testing laboratories and retailers). There would be no change to the State licensing process other than the State would issue either an "A" license (adult use) or "M" license (medical).

The amendment would also allow the Planning Commission be the Review Authority for all non-retailer Use Permits. This would expedite the development review process by eliminating the requirement for a Council public hearing. All Planning Commission decisions would still be appealable to the Council. The Council would remain the Review Authority for all retailer uses.

#### Local Coastal Program Amendment

The ordinance would amend Chapters 4, 6 and 9 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 Chapters 4 and 9 or Section 6.10 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 to allow adult use and the modification to the Review Authority 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 medical 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. Coastal Commission staff estimates it will take approximately two months for formal approval by the Coastal Commission upon final action by the Council. The LCP Amendment is considered a "minor" amendment because it is consistent with the existing LCP and the revisions are more specific and which do not change the kind, location, intensity or density of use.

#### Environmental Review

The City contracted with Rincon Consultants to prepare an Initial Study and Negative Declaration for the commercial medical cannabis land use and regulatory ordinances as part of initial ordinances considered by the Council in May 2017. The Initial Study concluded that there were no potentially significant environmental impacts and a Negative Declaration was adopted by the Council in May 2017.

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 to allow adult use would not expand the types of uses allowed, or result in an increase in potential development. Furthermore, future development proposed in the areas of the City allowable under the proposed ordinance would undergo environmental review, pursuant to CEQA. At that time, the potential physical environmental effects of such development would be evaluated.

### **ALTERNATIVES**

The Planning Commission has the following alternatives to consider:

1. Recommend the City Council approve an amendment to Article IX of the Municipal Code to allow adult cannabis uses and modify the Review Authority; or
2. Provide alternative direction to staff.

### **PUBLIC NOTIFICATION**

On April 21, 2018, a public hearing notice was published in The Tribune. On April 20, 2018, a notice was mailed to all property owners and occupants located in the three industrial zones, and all property owners and occupants located within 300 feet of the three industrial zones. The agenda was posted in accordance with the Brown Act.

### **ATTACHMENTS**

1. Draft Land Use Ordinance Amendment
2. Current Land Use Ordinance

ORDINANCE NO. 18-\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH  
AMENDING ARTICLE IX SECTIONS 4.10.045, 6.10.020 AND 9.10.020 TO  
ALLOW ADULT USE OF CANNABIS AND MODIFY THE REVIEW  
AUTHORITY**

**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. 4<sup>th</sup> 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**, this text amendment to the existing cannabis ordinances fails to create any environmental impacts not already reviewed in the Negative Declaration prepared for Ordinances 17-05 and 17-06 and as subsequently amended, and is not a project within the meaning of the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) Section 15061(b)(3) and is therefore exempt from CEQA; and

**WHEREAS**, the Planning Commission held a public hearing on May 1, 2018 and recommended the City Council approve the Development Code amendment; and

**WHEREAS**, the City Council held a public hearing on May 7, 2018 to consider the Planning Commission recommendation to approve the Development Code amendment.

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

**PART 1.** Findings of Not a Project for the purposes of the California Environmental Quality Act:

A. This action is not a project within the meaning of the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) Section 15061(b)(3) and is therefore exempt from CEQA. The proposed ordinance amendments will not result in any direct or indirect physical change in the environment because the City Council certified a negative declaration analyzing the medical cannabis for manufacturing, distribution, cultivation, testing laboratories and retail sales and found that no significant environmental impact would occur. The proposed amendment would not expand the types of uses allowed, or result in an increase in potential development.

**PART 2.** Subsection A of Section 4.10.045 of Chapter 4, of Article IX, Commercial Cannabis Uses, is hereby amended as follows:

A. Purpose. This Section provides standards for Adult and Medical Commercial Cannabis Uses, where allowed by Chapter 2 (Zones and Allowable Land Uses). These standards apply in addition to the regulatory requirements in Municipal Code Article III Chapter 18 and the State's licensing requirements. Commercial Cannabis Uses allowed by the City shall include those uses licensed in Chapter 5, Division 10, Cannabis, of the Business and Professions Code, and those Cannabis regulations issued by the California Bureau of Cannabis Control, Department of Public Health and the Department of Food and Agriculture, sections 26050, 26061, and 26070 and as further modified and restricted within this Chapter 2 and in Chapter 18 of Article III of the

Grover Beach Municipal Code. ~~With the exception of testing laboratory licenses, which may be used to test cannabis and cannabis products regardless of whether they are intended for use by individuals who possesses a physician's recommendation, all Use Permits and Commercial Cannabis Permits issued by the City shall be only for medical cannabis purposes and be consistent with the State's issuance of a "M" licenses designation consistent with Business and Professions Code Section 26050 (b).~~

**PART 3.** Subsection B of Section 4.10.045 of Chapter 4, of Article IX, Commercial Cannabis Uses, is hereby amended as follows:

B. Review Authority. For Retailers and/or Microbusinesses with a retailer use, the The Council is authorized to approve Use Permits ~~for commercial cannabis uses~~. The Planning Commission shall make a recommendation to the Council. For all other non-retailer cannabis uses, the Planning Commission is authorized to approve Use Permits subject to an appeal to Council in accordance with Chapter 7 of the Development Code.

**PART 4.** Subsection C of Section 4.10.045 of Chapter 4, of Article IX, Commercial Cannabis Uses, is hereby amended as follows:

C. Permit requirements. A land Use Permit shall be approved by the Planning Commission or Council consistent with Subsection B to ensure compliance with this Section and a Coastal Development Permit shall be required when located in the Coastal Zone. Approval of a land Use Permit does not allow the applicant to operate until a Commercial Cannabis Permit is approved in accordance with Municipal Code Article III Chapter 18.

**PART 5.** Section 6.10.020 of Chapter 6, of Article IX Authority for Land Use and Zoning Decisions is hereby amended as follows:

Table 6.1 Review Authority				
Type of Action	Code Section	Review Authority		
		Director	Commission	Council
General Plan Amendment	7.30	Recommend	Recommend	Decision
Local Coastal Program Amendment	7.30	Recommend	Recommend	Decision <sup>1</sup>
Development Code Amendment	7.30	Recommend	Recommend	Decision
Coastal Development Permit	6.20.040	Recommend <sup>2</sup>	Decision	Appeal
Development Permit	6.20.060	Recommend	Decision	Appeal
Use Permit	6.20.090	Recommend	Decision <sup>3</sup>	Appeal <sup>3</sup>
Variance	6.20.100	Recommend	Decision	Appeal
Administrative Development Permit	6.20.020	Decision	Appeal	Appeal
Administrative Use Permit	6.20.030	Decision	Appeal	Appeal
Home Occupation Permit	6.20.070	Decision	Appeal	Appeal
Temporary Use Permit	6.20.080	Decision	Appeal	Appeal
Interpretations	1.10.050	Decision	Appeal	Appeal

Table 6.1 Review Authority				
Type of Action	Code Section	Review Authority		
		Director	Commission	Council
Note: 1. The decision by the City Council does not take effect until it is certified by the California Coastal Commission. 2. The Director may approve a Coastal Development Permit in compliance with Section 6.20.040. 3. The City Council shall be the Review Authority for Use Permits for Commercial Cannabis <u>Retailer and Microbusinesses with retailer uses Uses.</u>				

**PART 6.** Section 9.10.020 of Chapter 9, of Article IX Definitions is hereby amended as follows:

Commercial Cannabis Uses. The uses are ~~solely~~ limited to commercial Medical and Adult Uses licensed in Chapter 5, Division 10, Cannabis, of the Business and Professions Code, and those Cannabis regulations issued by the California Bureau of Cannabis Control, Department of Public Health and the Department of Food and Agriculture, medical cultivation, nursery, manufacturing, testing laboratories, transportation, distribution (includes storage), microbusiness, and retailer as defined in Business and Professions Code Sections 26050, 26061, 26070 or as modified and restricted hereinafter, and in Municipal Code Article III, Chapter 18.

**PART 7.** 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 8.** All ordinances and parts of ordinances in conflict with those sections amended or added herein are hereby repealed.

**PART 9.** 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 and 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 May 7, 2018 and **PASSED, APPROVED, and ADOPTED** by the City Council on \_\_\_\_\_, 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 \*\***

\_\_\_\_\_  
JOHN P. SHOALS, MAYOR

Attest:



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DONNA L. McMAHON, CITY CLERK

Approved as to Form:

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DAVID P. HALE, CITY ATTORNEY

## Commercial Cannabis Land Use Ordinance\*

\* Ordinance 17-05 and as Amended by Ordinance 17-09

### 2.40.020 Purpose of the Industrial Zones

- A. **Industrial Zone (I).** The Industrial Zone applies to areas of the City appropriate for light, medium and heavy manufacturing and assembly, industrial parks, warehouses, commercial cannabis uses, and similar and compatible uses. The area is also appropriate for smaller service businesses such as contractor's yards, vehicle repair and storage, and material sales and supplies. Live-work may be appropriate when compatible with surrounding uses.
- B. **Coastal Industrial Zone (CI).** The Coastal Industrial Zone applies to areas of the City appropriate for light and medium manufacturing and assembly, industrial parks, warehouses, commercial cannabis uses, and similar and compatible uses. The area is also appropriate for smaller service businesses such as contractor's yards, vehicle repair and storage, and material sales and supplies. Live-work may be appropriate when compatible with surrounding uses. All development shall be consistent with the City's Local Coastal Program.
- C. **Coastal Industrial Commercial Zone (CIC).** The Coastal Industrial Commercial Zone applies to the area adjacent to the Coastal Commercial Zone. The area is appropriate for technology businesses, custom and light manufacturing and assembly, commercial cannabis uses, and similar and compatible uses where all operations are conducted within the building. The area is also appropriate for office uses, live-work, recreational uses and similar and compatible uses. All development shall be consistent with the City's Local Coastal Program.

### 2.40.030 Industrial Zones Allowable Land Uses and Permit Requirements

Table 2.6 Industrial Zones Allowable Land Uses and Permit Requirements				
Land Use	CI <sup>1</sup>	CIC <sup>1</sup>	I	Specific Use Regulations
<b>Industry, Manufacturing &amp; Processing</b>				
High Technology Uses	P	P	P	
Manufacturing, Artisan	P	P	P	Section 4.10.130
Manufacturing/Processing, Heavy	--	--	UP	Section 4.10.130
Manufacturing/Processing, Light	P	P	P	Section 4.10.130
Manufacturing/Processing, Medium	UP	--	UP	Section 4.10.130
Media Production	P	P	P	
Commercial Cannabis Activity & Uses	UP	UP	UP	Section 4.10.045
Printing and Publishing	P	P	P	
Recycling – Processing Facilities	--	--	UP	Section 4.10.150
Storage – Warehouse	P	P	P	
Storage – Outdoor	UP	--	UP	Section 4.10.130
Storage – Personal Storage Facility	P	--	P	Section 4.10.140
Storage - Vehicles	UP	--	UP	Section 4.10.130
Wholesaling & Distribution	P	P	P	

Table 2.6 Industrial Zones Allowable Land Uses and Permit Requirements				
Land Use	CI <sup>1</sup>	CIC <sup>1</sup>	I	Specific Use Regulations
<b>Recreation, Education &amp; Public Assembly</b>				
Commercial Recreation Facility - Outdoor	UP	UP	UP	
Health/Fitness Facility	AUP	AUP	AUP	
Meeting Facility, public or private				
≤ 3,000 sf	AUP	AUP	AUP	
> 3,000 sf	UP	UP	UP	
Studio – Art, Dance, Martial Arts	AUP	AUP	AUP	
Public or Quasi-Public Facility	UP	UP	UP	
Specialized Education/Training	UP	UP	UP	
<b>Residential</b>				
Caretaker's Residence	AUP	AUP	AUP	Section 4.10.050
Home Occupation	P	--	P	Section 6.20.070
Live/work Unit	UP	UP	UP	Section 4.10.090
<b>Retail</b>				
Accessory Retail/Service Use	P	P	P	Section 4.10.020
Adult Business	UP	--	--	Section 4.20
Automobile Service Station	UP	--	UP	
Building/Landscape Materials, Indoor	P	--	P	
Building/Landscape Materials, Outdoor	UP	--	UP	Section 4.10.130
Fuel Dealer	UP	--	UP	
General Retail	P	P	P	
Plant Nursery	P	--	P	
Restaurant	UP	UP	UP	
Vehicle Sales	P	--	P	
<b>Services</b>				
ATM	P	P	P	
Animal Boarding	AUP	--	AUP	
Animal Care Facilities	P	--	P	
Business Support Services	P	P	P	
Catering Service	P	P	P	
Equipment Rental	P	--	P	Section 4.10.130
Maintenance Service – Client Site Services	P	P	P	Section 4.10.130
Medical services – Clinic/Urgent Care	P	--	P	
Mortuary/Funeral Home	UP	--	UP	
Office – Business/Service	P	P	P	
Office – Processing	P	P	P	
Office – Professional	P	P	P	
Recycling – Large Collection Facilities	AUP	AUP	AUP	Section 4.10.150
Recycling – Reverse Vending Machine	P	P	P	Section 4.10.150
Recycling – Small Collection Facilities	P	P	P	Section 4.10.150
Repair Services – Large Equipment	P	--	P	Section 3.10.020

Table 2.6 Industrial Zones Allowable Land Uses and Permit Requirements				
Land Use	CI <sup>1</sup>	CIC <sup>1</sup>	I	Specific Use Regulations
Repair Services – Small Equipment	P	P	P	
Vehicle Rental	P	--	P	
Vehicle Repair & Services	AUP	--	P	Section 4.10.130
<b>Transportation &amp; Infrastructure</b>				
Freight Terminal	--	--	UP	
Parking Facility	UP	UP	UP	
Telecommunication Facility	UP	UP	UP	Section 4.40
<b>End Note</b>				
1. Projects located in the Coastal Zone may require a Coastal Development Permit (See Section 6.20.040).				
<b>Legend</b>				
P Permitted Use				
AUP Administrative Use Permit Required				
UP Use Permit Required				
-- Use Not Allowed				

**4.10.045 Commercial Cannabis Activity and Uses**

- A. Purpose. This Section provides standards for Commercial Cannabis Uses, where allowed by Chapter 2 (Zones and Allowable Land Uses). These standards apply in addition to the regulatory requirements in Municipal Code Article III Chapter 18 and the State’s licensing requirements. Commercial Cannabis Uses allowed by the City shall include those uses licensed in Business and Professions Code sections 26050, 26061 and 26070 and as modified and restricted within this Chapter 2 and in Chapter 18 of Article III of the Grover Beach Municipal Code. With the exception of testing laboratory licenses, which may be used to test cannabis and cannabis products regardless of whether they are intended for use by individuals who possesses a physician’s recommendation, all Use Permits and Commercial Cannabis Permits issued by the City shall be only for medical cannabis purposes and be consistent with the State’s issuance of a “M” licenses designation consistent with Business and Professions Code Section 26050 (b).
- B. Review Authority. The Council is authorized to approve Use Permits for commercial cannabis uses. The Planning Commission shall make a recommendation to the Council.
- C. Permit requirements. A land Use Permit shall be approved by the Council to ensure compliance with this Section and a Coastal Development Permit shall be required when located in the Coastal Zone. Approval of a land Use Permit does not allow the applicant to operate until a Commercial Cannabis Permit is approved in accordance with Municipal Code Article III Chapter 18.
- D. Limitation on number of Retailers and/or Microbusinesses with a retailer use, whether open to the public or delivery only. The aggregate maximum number of Retailers and/or Microbusinesses with a retailer use allowed are up to four.
- E. Limitation on manufacturing uses. Level 1 and Level 2 manufacturing (State Licenses Types 6 and 7) shall be authorized subject to Municipal Code Article III Chapter 18.

- F. Setbacks. Commercial Cannabis Uses shall comply with the following minimum setbacks:
1. All Retailers and/or Microbusinesses with a retailer use, whether open to the public or delivery only, shall be located a minimum of 100 feet from all residential zones as measured from the residential lot boundary to the public entrance of the facility, except on Farroll Road where no minimum setback is required from residential zones.
  2. All Retailers and/or Microbusinesses with a retailer use, whether open to the public or delivery only, shall be located a minimum of 600 feet from public and private schools grades kindergarten through 12<sup>th</sup> grade consistent with State law.
  3. All commercial cannabis uses shall be located a minimum of 100 feet from the CR2 Zone on the north side of Atlantic City Avenue as measured from the residential lot boundary to the industrial lot boundary.
  4. All commercial cannabis uses not otherwise subject to the setback requirements of this Subsection, shall not be subject to any additional setback requirements other than contained in Section 2.40.040.
- 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. All other 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.
  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.
  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.
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**6.10.020 Authority for Land Use and Zoning Decisions**

Table 6.1 (Review Authority), below, identifies the Review Authority responsible for reviewing and making decisions on each type of development application required by this Development Code.

Table 6.1 Review Authority				
Type of Action	Code Section	Review Authority		
		Director	Commission	Council
General Plan Amendment	7.30	Recommend	Recommend	Decision
Local Coastal Program Amendment	7.30	Recommend	Recommend	Decision <sup>1</sup>
Development Code Amendment	7.30	Recommend	Recommend	Decision
Coastal Development Permit	6.20.040	Recommend <sup>2</sup>	Decision	Appeal
Development Permit	6.20.060	Recommend	Decision	Appeal
Use Permit	6.20.090	Recommend	Decision <sup>3</sup>	Appeal <sup>3</sup>
Variance	6.20.100	Recommend	Decision	Appeal
Administrative Development Permit	6.20.020	Decision	Appeal	Appeal
Administrative Use Permit	6.20.030	Decision	Appeal	Appeal
Home Occupation Permit	6.20.070	Decision	Appeal	Appeal
Temporary Use Permit	6.20.080	Decision	Appeal	Appeal
Interpretations	1.10.050	Decision	Appeal	Appeal
Note: 1. The decision by the City Council does not take effect until it is certified by the California Coastal Commission. 2. The Director may approve a Coastal Development Permit in compliance with Section 6.20.040. 3. The City Council shall be the Review Authority for Use Permits for Commercial Cannabis Uses.				

**9.10.020 Definitions of Specialized Terms and Phrases**

**Commercial Cannabis Uses.** The uses are solely limited to commercial medical cultivation, nursery, manufacturing, testing laboratories, transportation, distribution (includes storage), microbusiness, and retailer as defined in Business and Professions Code Sections 26050, 26061 and 26070 or as modified and restricted hereafter, and in Municipal Code Article III Chapter 18.