

City of Sacramento
Marijuana Stakeholder Meeting
Meeting Summary Notes

December 5, 2016

6:00 – 8:00 p.m.

City Council Chambers, City Hall – 915 I Street, Sacramento, CA 95814

I. Updates

- CULTIVATION
 - o City Council approved the proposed cultivation ordinance on November 22, 2016.
 - o City staff is working on cost analysis and fee schedule for operating permit and will need to bring this to City Council for approval in addition to lifting the moratorium on cultivation before applications can be accepted.
 - o City Council directed staff to come back on additional items for cultivation, before lifting the moratorium. These items include:
 - An additional buffer from parks. City staff is examining a definition of “park” to include active parks open to public or contain playgrounds.
 - City staff is working on a resolution and implementation for the Neighborhood Responsibility Plan which is to be part of the Conditional Use Permit and Operating Permit application process.
 - Staff is working on ordinance language for criminal history background to exclude some marijuana related offenses.
 - o Staff is aiming to accept cultivation applications by end of 1st quarter or beginning of 2nd quarter of 2017.
- DELIVERY
 - o City Council directed staff to work on a new delivery only dispensary ordinance.
- MANUFACTURING AND TESTING LABS
 - o City staff is working to draft ordinance language for manufacturing and testing labs. Once complete, will bring to Planning and Design Commission and then City Council for review.
- TRANSPORTATION AND DISTRIBUTION
 - o City staff will also begin working on a draft ordinance for distribution and transporters, possibly sometime during second quarter of 2017.

II. Questions, Comments and Recommendations

- **RECOMMENDATIONS and COMMENTS from audience with staff responses (NOTE: all responses from staff are based on research and recommendations to City Council. Answers are subject to change depending upon City Council action)**
 - o What will the zones for manufacturing be?
 - City has been directed to work on non-volatile only. The zones that will be proposed will be the same zones for other manufacturing businesses. Heavy and light industrial and commercial. Research and development zones. No agricultural zones. For businesses using water extraction only, the City must decide what zones will be most appropriate.
 - o Is the language for cultivation ordinance available?
 - The ordinance for cultivation has been approved and when it is available on-line it will be sent out. There are still some items that the City needs

to work on and in which official language will still need to be codified. End of first quarter, beginning of the 2nd City may be able to begin accepting CUP applications.

- o What are my rights as a business owner in the area where cultivation sites are trying to locate near me?
 - There are public meetings for approval of Conditional Use Permits. If you oppose a business you can attend those meetings and/or write a letter to voice your concern. There is also an appeal process for CUPs that are approved by the Zoning Administrator which will go to the Planning and Design Commission for final approval.
- o What is the difference between volatile and non-volatile?
 - City will later define but for now refers to the Fire Department for the definition as well as the State once this is defined.
- o Will manufacturing also have 600-foot distance requirement from schools?
 - Yes, all marijuana businesses.
- o What will the fees for the cultivation permit be?
 - The City is currently working on a fee schedule for the operational permit. City can only charge what it costs for the enforcement and processing of the applications. CUP is a one-time fee; the operational permit is annual or bi-annual.
- o Will a greenhouse be allowed?
 - Yes, but it must be fully enclosed, have odor control, as well as not viewable by the public like all other marijuana cultivation sites.
- o When will the manufacturing ordinance be available?
 - City is still working on the logistics for the timeline, but hopefully will get the ordinance to City Council by 2nd quarter and possibly accept applications by 3rd quarter.
- o Will cultivators also be able to manufacturing?
 - You can hold up to two permits in two different areas. There are some state restrictions as to what two types of permits can be combined and the City will defer to the State licensing regulations.
- o How is the City going to work with micro businesses and having full integration?
 - The city is still doing research and will consider this type of business and how the state will license.
- o What will the delivery permits cost?
 - The City still does not yet know how much the permit fee will be.
- o Due to the compassionate use act, there may be some discounts for those businesses who are only working with medical marijuana.
- o Is the permit being modeled after the liquor license?
 - No, this is how the State is modeling after. The City will have some similarities but won't be exactly the same.
- o How many cultivation sites (businesses) can be in one location/building/parcel?
 - It will first depend on how the building and planning department see the project and on the CUP process and approval. Every location and project will be different.
- o What kind of background check will be needed? Will the landlord need to be background checked or only the employees?

- Landlord will not be background checked, however will need to sign off on the use of the land and all employees in marijuana businesses will need to be background checked.
- o What will the land easement set back requirements be?
 - This will depend on the individual location and building/site.
- o Will a business have to operate per the plans submitted?
 - Yes, and they will be checked annually and must operate per its conditions on its conditional use permit and operating permit.
- o Will the ordinances that have yet to be proposed be made available on-line?
 - When ordinances are brought to the City Council, they are made available to the public about a week before the meeting on the City's website located at http://sacramento.granicus.com/ViewPublisher.php?view_id=22.
- o Will background checks be done through Department of Justice?
 - Background checks will be done through Department of Justice. The live scan fingerprints can be done by the City of Sacramento.
- o CM Warren was recommending a cap for permits will there be one?
 - The City does not have a proposal for a cap on permits and this is not what was approved by Council.
- o Will SMUD change the rate in these zones where cultivation will be? Has the City decided what the baseline is for energy use?
 - The City is in contact with SMUD and has proposed to have cultivators buy into the renewable energy program. The City does recommend that cultivators contact SMUD and consider what is possible for energy efficiency plan but has no knowledge or control over their rates. We are working with SMUD to get some sort of baseline for commercial grow energy use however it will be determined on a case by case basis.
- o Will Sacramento take a position and listen to those who are already in the industry?
 - The City has been doing outreach to stakeholders including those who are already in the industry in all different business types. If there are any recommendations, you can send them to Ranelle Kawasaki at rkawasaki@cityofsacramento.org.
- o What is the City's position for people with marijuana related convictions?
 - The City has been asked by City Council to look at the background check and regarding those who have prior convictions. City staff will be coming back to City Council with recommendations.
- o Will the ordinance have language that the City can come and inspect at any time during normal business hours, etc?
 - Yes, this language will be standard like with other use and operating permits for medical marijuana businesses.
- o When do you plan on starting the cultivation application process?
 - Hopefully by the end of the first quarter beginning of 2nd quarter of next year.
- o What does the Neighborhood Responsibility Plan consist of?
 - The City Attorney is currently working on the language and doing research to find out the impact beyond just the code and police

enforcement needs. Currently planning on going before City Council by Jan 5th for this item.

- o Is there language regarding fire suppression and visibility for greenhouses vs. other indoor cultivation?
 - Planning will look at every site and every building on a case by case basis regarding fire suppression and other building code regulations. Per the ordinance, cultivation must be in an enclosed building and not viewable from the public right of way.
- o Will the use of public water be regulated?
 - City will ask that applicants work with Utilities Department for water efficiency plans and doing research on best practices, however the City does not have recommendations regarding use of public water or that public water not be available.