



Meeting Agenda – August 14, 2019

3:00 p.m. – 5:00 p.m.

Chico Municipal Center, Old Municipal Building (2nd Floor)
441 Main Street, Chico, CA

COMMITTEE MEMBERS

Alex Brown (Chair, Vice Mayor)

Danelle Campbell (Community Member at Large)

Teri DuBose (DCBA)

Jim Hanlon (CUSD)

Jessica MacKenzie (Cannabis Expert)

Dr. Andrew Miller (BC Public Health)

Kait Mahler (CSUC)

Karli Olsen (Chamber)

Vincent Villegas (Community Member at Large)

Carrie Welch (Real Estate)

Dayna Wyman (Local Business Owner)

PURPOSE OF COMMITTEE

At its meeting of April 2nd and April 16th, 2019, the Council confirmed the creation of an advisory committee for the consideration of commercial cannabis. The role of this committee is: (1) which commercial cannabis operations shall be allowed and licensed; (2) where those businesses are best located; (3) whether to limit the number of licenses for any specific business types; and (4) what level of permitting approval shall be required.

1. **CALL TO ORDER** – Vice Mayor Brown

2. **REGULAR AGENDA**

2.1. **WORK OF COMMITTEE** – Vice Mayor Brown

- Introductions
- Policy Presentation by Vice Mayor Brown

3. **BUSINESS FROM THE FLOOR** - Members of the public may address the Committee at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda.

4. **ADJOURNMENT** – Adjourn to the next meeting date of August 7, 2019. All meetings will be held in the Old Municipal Building (2nd Floor). Chico Municipal Center at 441 Main St. Chico, CA.

Distribution available in the office of the City Clerk

Posted: 8/9/19 prior to 3:00 p.m. at 421 Main St. Chico, CA 95928 and www.ci.chico.ca.us

Copies of the agenda packet are available for review at:

City Clerk's Office, 411 Main St. Chico, CA 95928



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Proposed Cannabis Policy: Chico CA

Part 1: Storefront and Non-Storefront Retail

What are the questions we need to answer?

- What types of retail businesses do we allow in the City of Chico?
- How many of each type of retail business (storefront and non-storefront) do we allow?
- Where do we allow retail businesses to operate?
- What permitting hurdles should we require retail businesses to go through in order to operate in the City of Chico?

Storefront (Dispensaries)

TYPES OF BUSINESSES ALLOWED

- Allow storefront dispensaries to operate in the City of Chico

CAP ON BUSINESSES ALLOWED

- Capped per population (1 business per every 25,000 people)

LOCATION OF BUSINESSES

- Adhere to all state regulations and standards
- Density limits – 1000ft between storefront businesses
- Utilize Cannabis Overlay Zone document prepared by Planning
 - Adheres to 600 ft state distance requirement from sensitive areas
 - Creates additional buffer for secondary schools (middle and high schools) of 1000 ft
 - Excluded areas. Downtown North and Downtown South, Chico Mall

PERMITTING STANDARDS

- Cost recovery model for application and annual permit/license fees, to be determined by City Staff
- Limit of the number of like-kind licenses to a single individual or entity, to avoid monopolizing the retail market
- Direct staff to make further recommendation to Council on the most appropriate permitting and application process. Council will determine the appropriate method to incorporate local preferences and requirements (Development Agreement, CUP, and/or Cannabis Permit, etc.).
 - Include processes to revoke licenses
 - Transfer of permit/sale of business must be approved by Council
- Merit-based application process
 - Appointed panel to review applications and make recommendations (makeup to be determined) per collaboration with staff and Council
 - Points assigned to applications based on their merits and adherence to stated preferences
 - Direct City Staff to develop application process for approval by City Council

Proposed Cannabis Policy: Chico CA

Part 1: Storefront and Non-Storefront Retail

- Points assigned for Labor Peace Agreement for businesses with 10 or more employees
- Specific proposed requirements in addition to state regulations
 - Requirement for cannabis concentrate inhaled products (such as dabs, shatter, and wax) to be sold only from behind the counter of retail facilities, and otherwise consistent with state law
 - Ban on artificially flavored cannabis vape products
 - Provide on-site educational materials available to inform customers about products, with details on the desired effects associated with each product
 - Provide additional materials included in the sale of all edible and concentrate products, highlighting safe storage and use, additional warning against child access, warning about brain development and pregnancy [to be further refined by the Internal Affairs Committee]
 - Mandatory Bud Tender or similar training for all public-facing and management staff, completed within the first year of operation
 - Annual checks for compliance by Code Enforcement
- Specific proposed preferences for applicants, to be weighted in application process
 - Preference for local applicants (Butte County)
 - At least 50% of the investment in business must be made locally
 - Preference for applicants with a commitment to local hiring (at least 50%)
 - Preference to businesses with investment in neighborhood improvement/beautification (wherever they are operating)
 - Additional preference points for plan to address youth diversion or collaborate on harm reduction/prevention efforts
 - Requirement to show financial interests (books and corporate structure) in application process

Non-Storefront (Deliveries)

TYPES OF BUSINESSES ALLOWED

- Allow non-storefront dispensaries to operate in the City of Chico

CAP ON BUSINESSES ALLOWED

- No cap on deliveries, per committee recommendation

LOCATION OF BUSINESSES

- Adhere to all state regulations and standards
- Exempt from overlay and additional distance requirements due to being non-public-facing
- Staff to determine appropriate commercial or manufacturing/industrial zones for businesses to exist

Proposed Cannabis Policy: Chico CA

Part 1: Storefront and Non-Storefront Retail

- No density requirement due to being non-public-facing

PERMITTING STANDARDS

- Cost recovery model for application and annual permit/license fees, to be determined by City Staff
- Limit of the number of like-kind licenses to a single individual or entity, to avoid monopolizing the retail market
- Direct staff to make further recommendation to Council on the most appropriate permitting and application process. Council will determine the appropriate method to incorporate local preferences and requirements (Development Agreement, CUP, and/or permit, etc.).
 - Include processes to revoke licenses
 - Transfer of permit/sale of business must be approved by Council
- Merit-based application process
 - Appointed panel to review applications and make recommendations (makeup to be determined) per collaboration with staff and Council
 - Points assigned to applications based on their merits and adherence to stated preferences
 - Direct City Staff to develop application process for approval by City Council
 - Points assigned for Labor Peace Agreement for businesses with 10 or more employees
- Specific proposed requirements in addition to state regulations
 - Ban on artificially flavored cannabis vape products
 - Provide website educational materials to inform customers about products, with details on the desired effects associated with each product
 - During delivery, provide additional materials included in the sale of all edible and concentrate products, highlighting safe storage and use, additional warning against child access, warning about brain development and pregnancy [to be further refined by the Internal Affairs Committee]
 - Mandatory Bud Tender or similar training for all public-facing and management staff, completed within the first year of operation
 - Annual checks for compliance by Code Enforcement
- Specific proposed preferences for applicants, to be weighted in application process
 - Preference for local applicants (Butte County)
 - At least 50% of the investment in business must be made locally
 - Preference for applicants with a commitment to local hiring (at least 50%)
 - Preference to businesses with investment in neighborhood improvement/beautification (wherever they are operating)
 - Additional preference points for plan to address youth diversion or collaborate on harm reduction/prevention efforts
 - Requirement to show financial interests (books and corporate structure) in application process

Proposed Cannabis Policy: Chico CA

Part 2: Manufacturing, Distribution, Testing

What are the questions we need to answer?

- What types of businesses do we allow in the City of Chico?
- How many of each type of business do we allow?
- Where do we allow these businesses to operate?
- What permitting hurdles should we require these businesses to go through in order to operate in the City of Chico?

Manufacturing

TYPES OF BUSINESSES ALLOWED

- Allow manufacturing in the City of Chico

CAP ON BUSINESSES ALLOWED

- No cap on businesses

LOCATION OF BUSINESSES

- Allowable per zoning code, where similar manufacturing use is allowed

PERMITTING STANDARDS

- Cost recovery model for application and annual permit/license fees, as determined by City Staff
- Limit of the number of like-kind licenses to a single individual or entity
- Permit type
 - Administrative Permit for non-volatile manufacturing under 5000 sq. ft.
 - Conditional Use Permit for non-volatile manufacturing facilities over 5000 sq. ft.
 - Conditional Use Permit for all volatile manufacturing
 - Cannabis Permit on all types of manufacturing
 - Include processes to revoke licenses
- Specific proposed preferences, where possible
 - Preference for local applicants
 - Preference for applicants with a commitment to local hiring
- Transfer of permit/sale of business must be approved by Council

Proposed Cannabis Policy: Chico CA

Part 2: Manufacturing, Distribution, Testing

Distribution

TYPES OF BUSINESSES ALLOWED

- Allow Distribution in the City of Chico

CAP ON BUSINESSES ALLOWED

- No cap on distributors

LOCATION OF BUSINESSES

- Allowable per zoning code, where similar warehousing is allowed

PERMITTING STANDARDS

- Cost recovery model for application and annual permit/license fees as determined by staff
- Permit type
 - Administrative Permit
 - Cannabis Permit
 - Include processes to revoke licenses
- Transfer of permit/sale of business must be approved by Council

Proposed Cannabis Policy: Chico CA

Part 2: Manufacturing, Distribution, Testing

Testing

TYPES OF BUSINESSES ALLOWED

- Allow Testing in the City of Chico

CAP ON BUSINESSES ALLOWED

- No cap on testing facilities

LOCATION OF BUSINESSES

- Allowable per zoning code, where similar testing is allowed

PERMITTING STANDARDS

- Cost recovery model for application and annual permit/license fees as determined by City Staff
- Permit type: By right
- Transfer of permit/sale of business must be approved by Council

Proposed Cannabis Policy: Chico CA

Part 3: Cultivation and Microbusiness

What are the questions we need to answer?

- What types of businesses do we allow in the City of Chico?
- How many of each type of business do we allow?
- Where do we allow these businesses to operate?
- What permitting hurdles should we require these businesses to go through in order to operate in the City of Chico?

Commercial Cultivation

TYPES OF BUSINESSES ALLOWED

- Do not allow commercial cultivation in the City of Chico

Personal Cultivation

Although this is not a commercial cannabis activity, it was included in the proposed cannabis policy. Due to the scope of the issue and unique considerations involved in personal cultivation activities, personal cultivation has been removed from this proposal.

Microbusiness

Microbusinesses are small, vertically integrated operations that engage in at least three of the following activities: cultivation, manufacturing (level 1 only), distribution, and retail. They are significantly limited in size, where cultivation must comprise less than 10,000 sq. ft.

TYPES OF BUSINESSES ALLOWED

- Do not allow microbusiness in the City of Chico