
INTERNAL AFFAIRS COMMITTEE AGENDA

A Committee of the Chico City Council: Councilmembers Huber, Ory, and Chair Brown

Meeting September 9, 2019 – 4:00 p.m. to 6:00 p.m.

Council Chamber Building, 421 Main Street, Conference Room 1

REGULAR AGENDA

A. COMMERCIAL CANNABIS COMMITTEE REPORT

On April 2, 2019, the City Council confirmed the creation of an advisory committee for the consideration of commercial cannabis. The Internal Affairs Committee will review the findings of the Commercial Cannabis Committee and provide a recommendation to the City Council as appropriate.

The three recommended areas of discussion are as follows:

- Retail Sales-Storefront and Non-Store front
- Manufacturing, Distribution, and Testing
- Cultivation & Microbusiness

Reports from the Commercial Cannabis Committee meetings are still being finalized. They will be distributed to the committee members and available on the City's website as soon as they are completed.

D. ADJOURNMENT AND NEXT MEETING

The meeting will adjourn no later than 6:00 p.m. The next regular Internal Affairs Committee meeting is scheduled for Monday, October 7, 2019, at 4:00 p.m. in Conference Rm. No. 1.

SPEAKER ANNOUNCEMENT

NOTE: Citizens and other interested parties are encouraged to participate in the public process and will be invited to address the Committee regarding each item on the agenda. In order to maintain an accurate and complete record, the following procedural guidelines have been implemented:

1. Speaker Cards – speakers will be asked to print his/her name on a speaker card to address the Committee and provide card to the Clerk prior to the completion of the Staff Report.
2. The Clerk will call speakers in the order the cards are received.
3. Speakers may address the Committee one time per agenda item.
4. Speakers will have three minutes to address the Committee.

Distribution available in the office of the City Clerk

Posted: 07-29-19 prior to 5:00 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



Please contact the City Clerk at 896-7250 should you require an agenda in an alternative format or if you need to request a disability-related modification or accommodation in order to participate in a meeting. This request should be received at least three working days prior to the meeting in order to accommodate your request.

Retail

Proposed Cannabis Policy: Chico CA

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

Proposed Cannabis Policy: Chico CA

Storefront and Non-Storefront Retail

- o Points assigned to applications based on their merits and adherence to stated preferences
- o Direct City Staff to develop application process for approval by City Council
- Specific proposed requirements in addition to state regulations
 - o 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
 - o Ban on artificially flavored cannabis vape products
 - o Provide on-site educational materials available to inform customers about products, with details on the desired effects associated with each product
 - o 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]
 - o Mandatory Bud Tender or similar training for all public-facing and management staff, completed within the first year of operation
 - o Annual checks for compliance by Code Enforcement
- Specific proposed preferences for applicants, to be weighted in application process
 - o Preference for local applicants (Butte County)
 - o Preference for applicants with a commitment to local hiring (at least 50%)
 - o Preference to businesses with investment in neighborhood improvement/beautification (wherever they are operating)
 - o Additional preference points for plan to address youth diversion or collaborate on harm reduction/prevention efforts
 - o Points assigned for Labor Peace Agreement for businesses with 10 or more employees
 - o 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

Proposed Cannabis Policy: Chico CA

Storefront and Non-Storefront Retail

- 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
- 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
- Specific proposed requirements in addition to state regulations
 - 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
 - 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]
- Specific proposed preferences for applicants, to be weighted in application process
 - Preference for local applicants (Butte County)
 - 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)

Proposed Cannabis Policy: Chico CA

Storefront and Non-Storefront Retail

- o Additional preference points for plan to address youth diversion or collaborate with Public Health on educational harm reduction/prevention efforts
- o Points assigned for Labor Peace Agreement for businesses with 10 or more employees
- o Requirement to show financial interests (books and corporate structure) in application process

Manufacturing,
Distribution,
Testing

Proposed Cannabis Policy: Chico CA

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

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.
 - Per discretion and review of Planning and Community Development
 - Conditional Use Permit for all volatile manufacturing
 - Conditional Use Permit for non-volatile manufacturing facilities over 5000 sq. ft.
 - Include processes to revoke licenses
- Specific proposed preferences, if possible
 - Preference for local applicants
 - Preference for applicants with a commitment to local hiring
 - Preference assigned for Labor Peace Agreement for businesses with 10 or more employees

Proposed Cannabis Policy: Chico CA

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

PERMITTING STANDARDS

- Cost recovery model for application and annual permit/license fees as determined by staff
- Permit type: Administrative Permit
 - Per discretion and review of Planning and Community Development

Proposed Cannabis Policy: Chico CA

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

PERMITTING STANDARDS

- Cost recovery model for application and annual permit/license fees as determined by City Staff
- Permit type: By right

Cultivation & Microbusiness

Proposed Cannabis Policy: Chico CA

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.

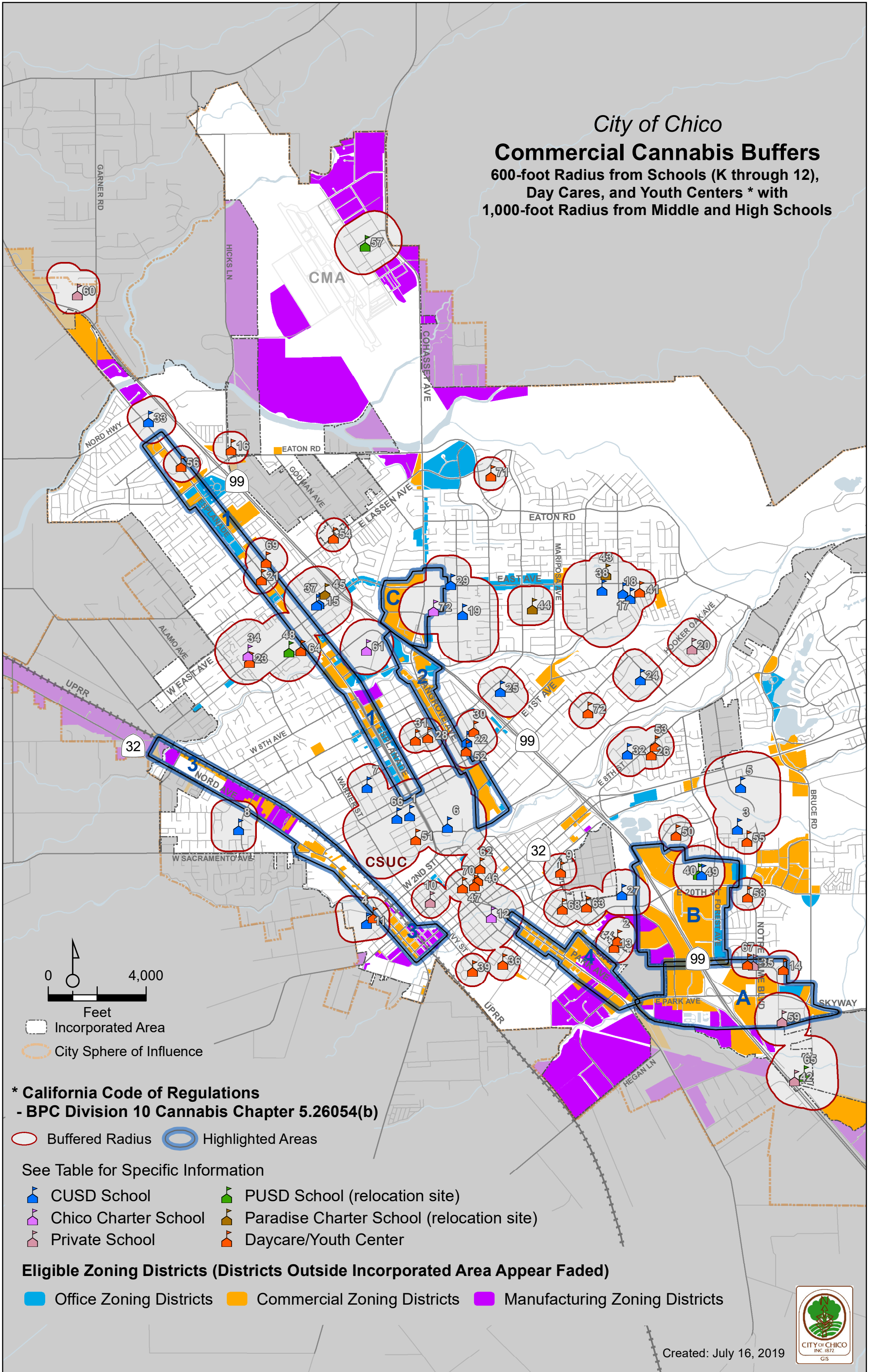
Microbusiness

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. These small businesses should be recognized as the engines of the cannabis economy, just as other small businesses. They are the makers of candy, soaps, lotions, creams, food products, beverages, and cosmetics. They are also the leaders in the non-psychoactive/CBD health and wellness products. They may have limited retail operations or sell only online.

TYPES OF BUSINESSES ALLOWED

- Do not allow microbusiness in the City of Chico, revisit at a later date

City of Chico
Commercial Cannabis Buffers
 600-foot Radius from Schools (K through 12),
 Day Cares, and Youth Centers * with
 1,000-foot Radius from Middle and High Schools



* California Code of Regulations
 - BPC Division 10 Cannabis Chapter 5.26054(b)

○ Buffered Radius ○ Highlighted Areas

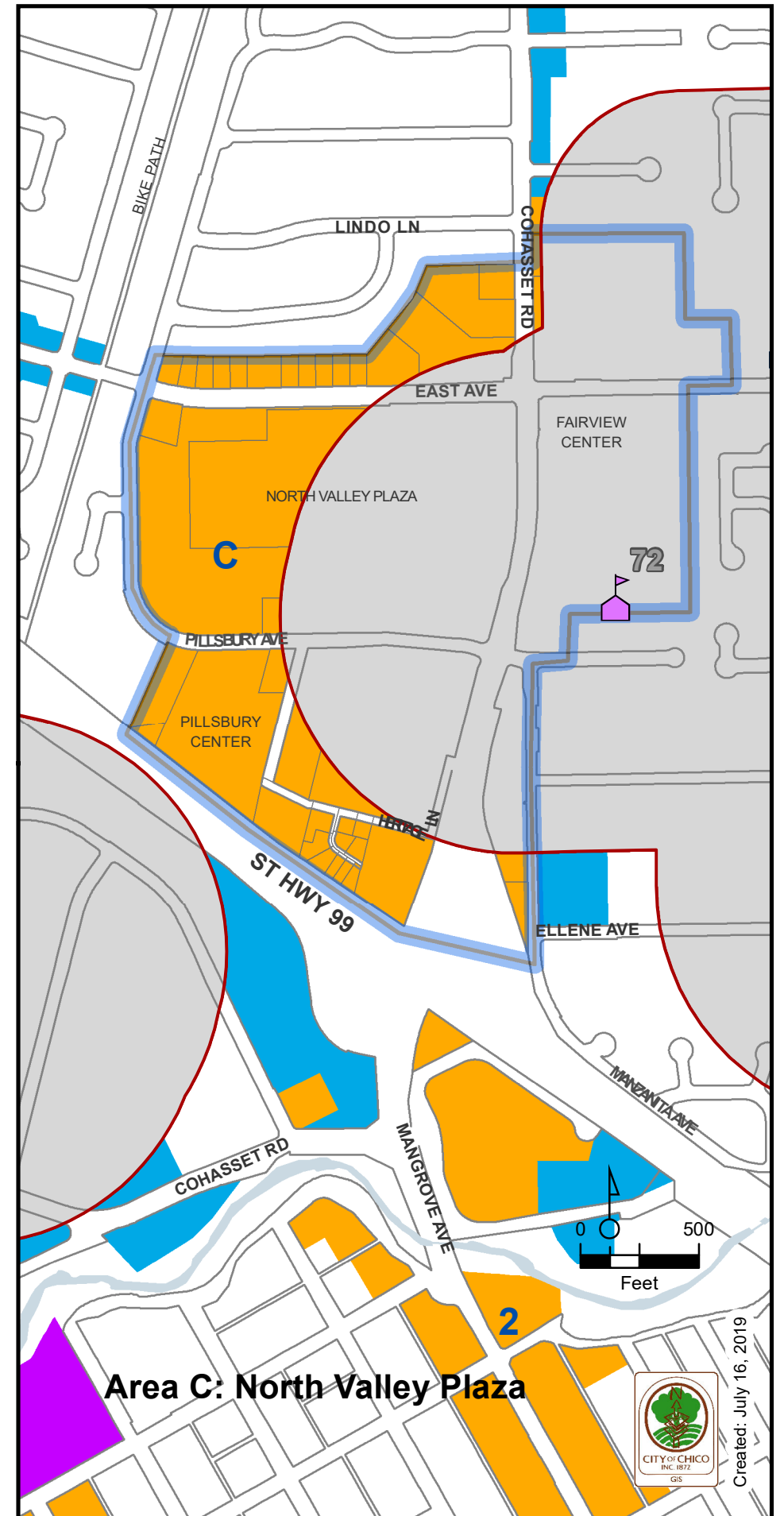
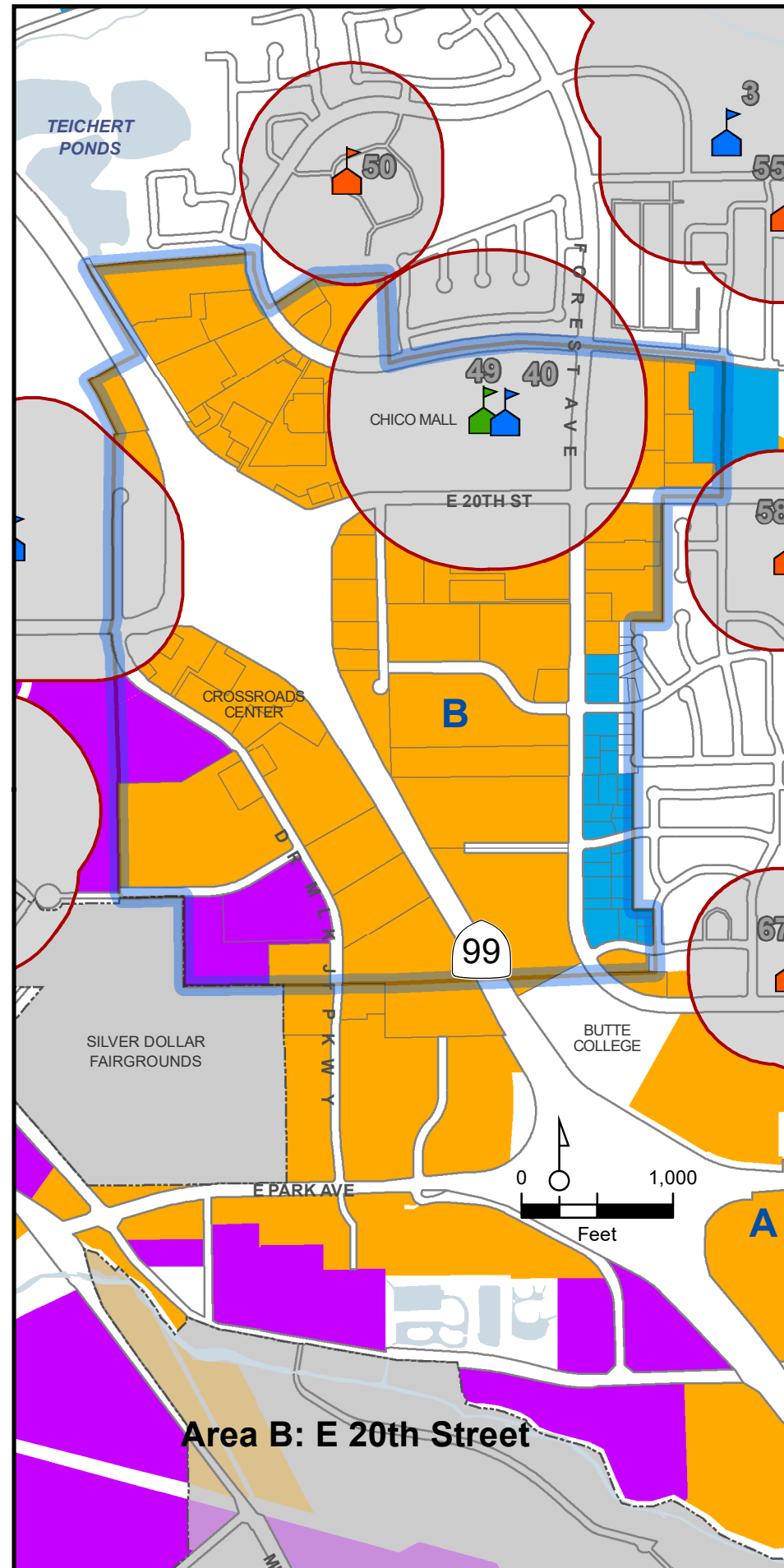
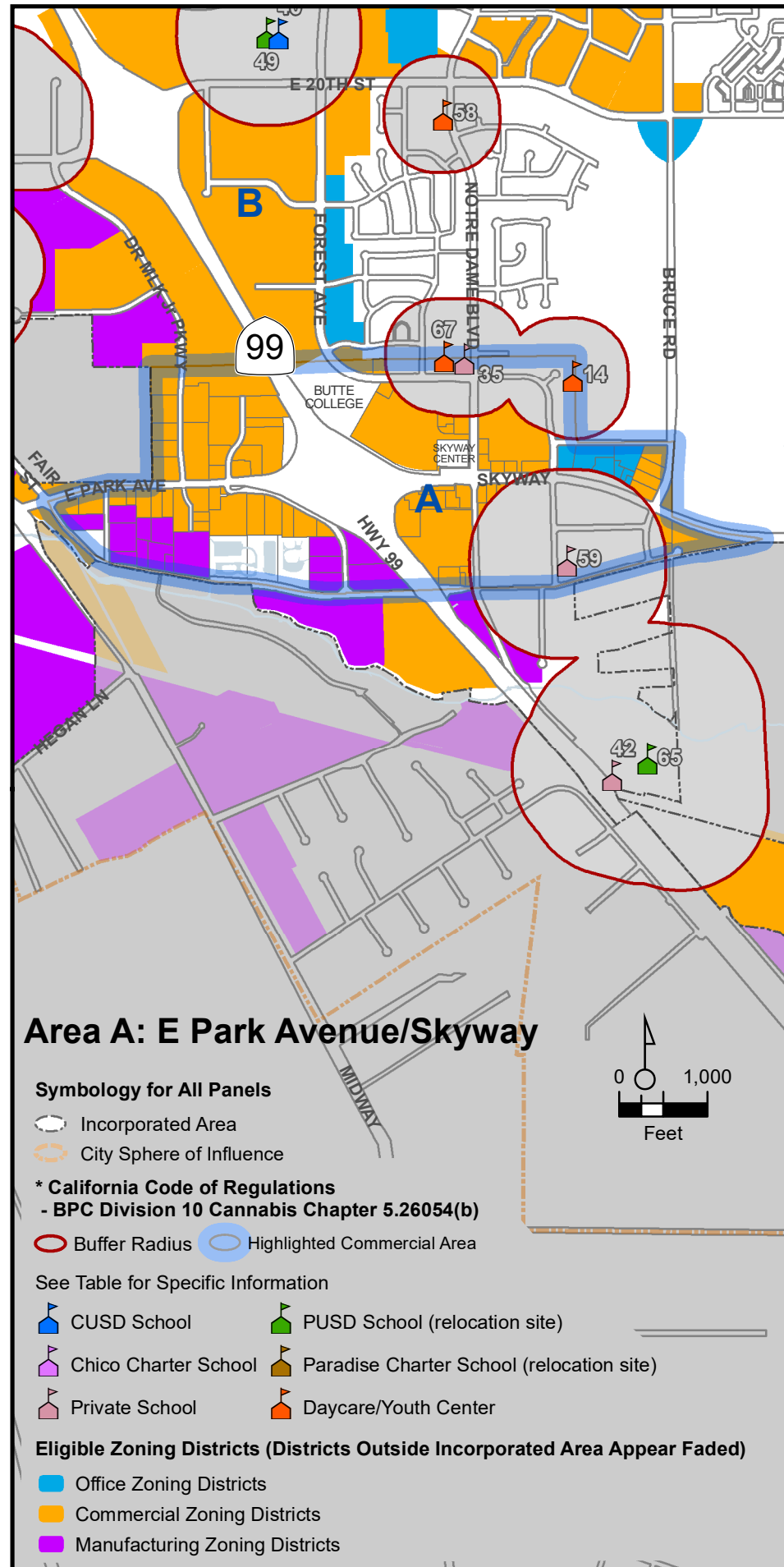
See Table for Specific Information

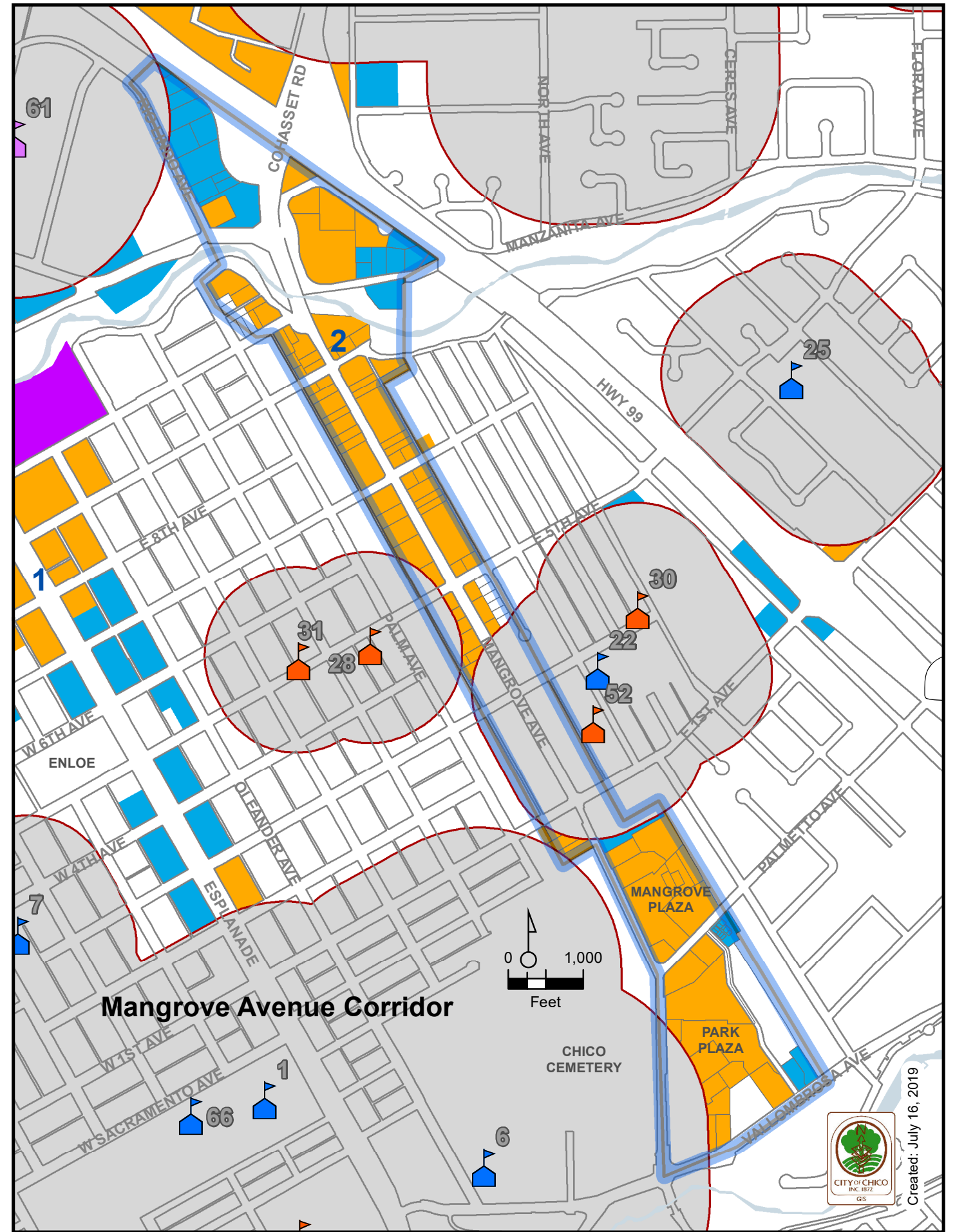
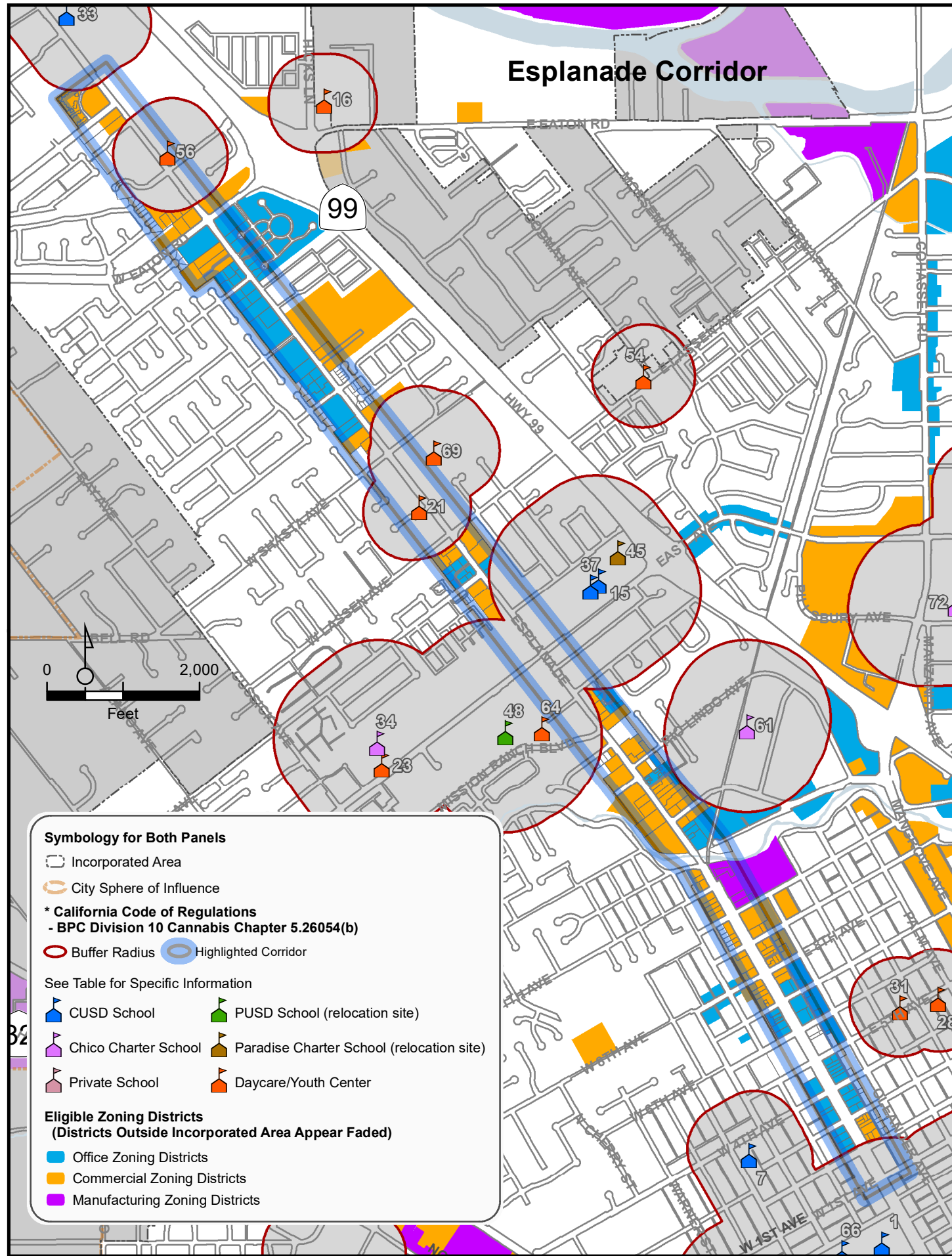
- CUSD School
- PUSD School (relocation site)
- Chico Charter School
- Paradise Charter School (relocation site)
- Private School
- Daycare/Youth Center

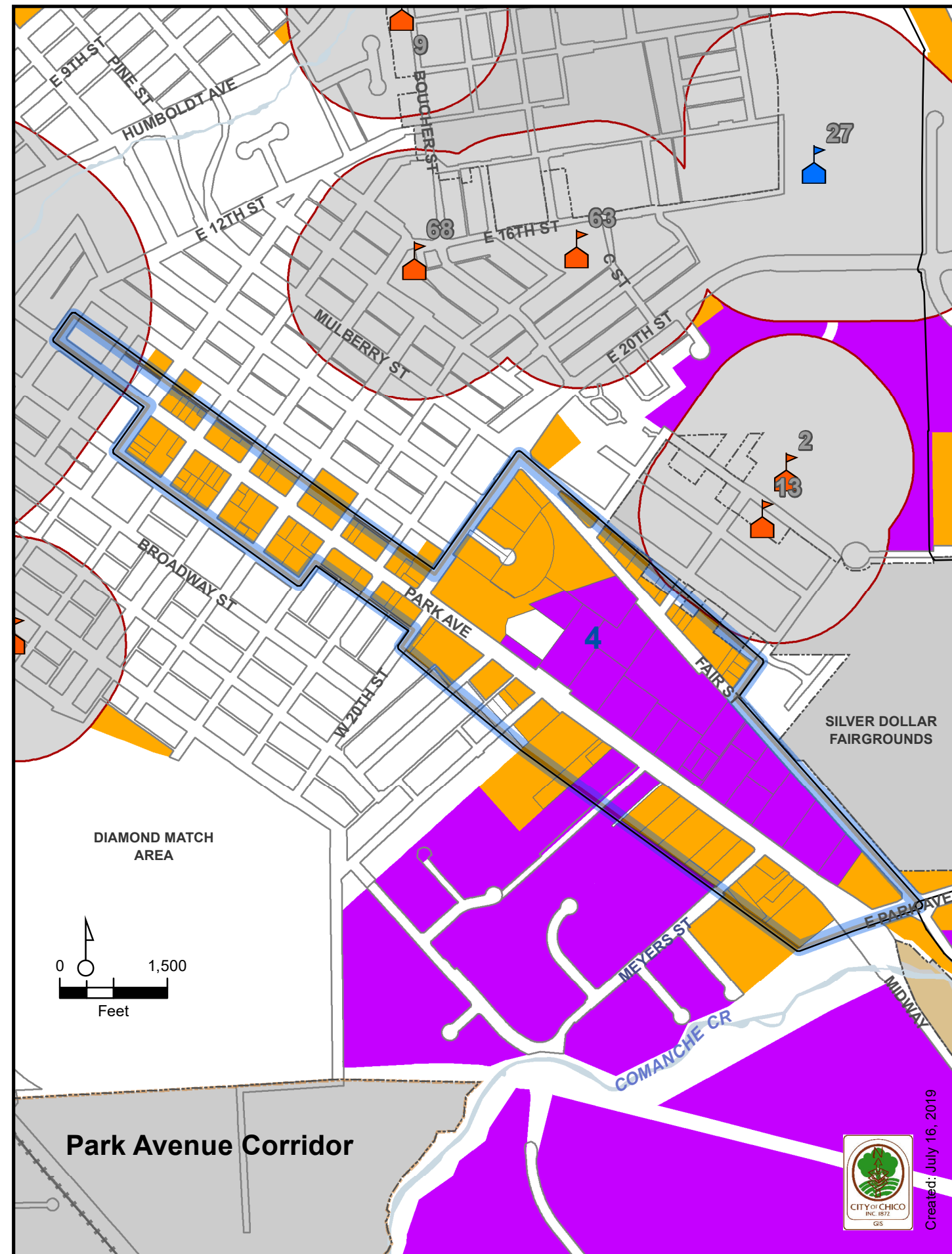
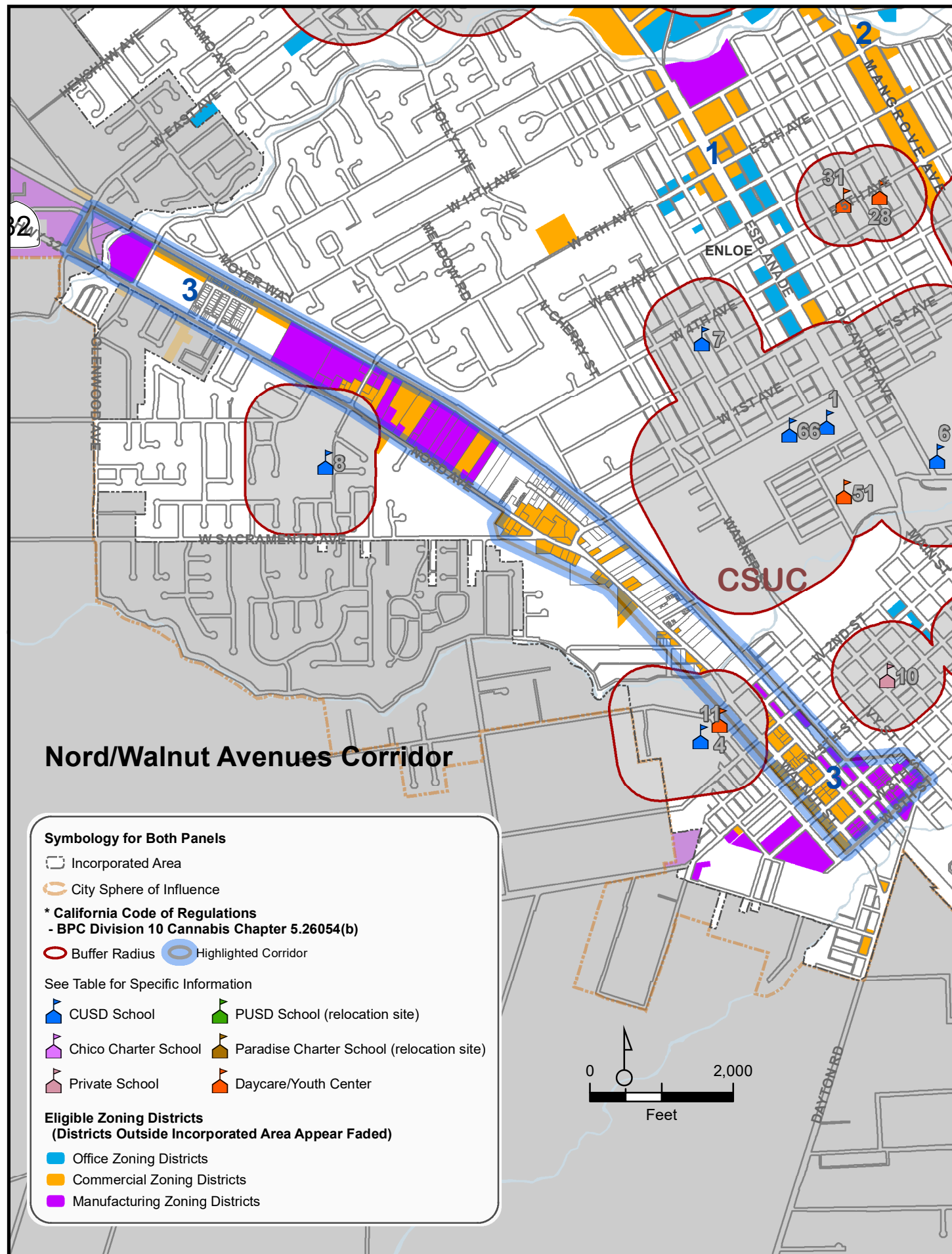
Eligible Zoning Districts (Districts Outside Incorporated Area Appear Faded)

- Office Zoning Districts
- Commercial Zoning Districts
- Manufacturing Zoning Districts









Symbology for Both Panels

- Incorporated Area
- City Sphere of Influence
- * California Code of Regulations - BPC Division 10 Cannabis Chapter 5.26054(b)
- Buffer Radius
- Highlighted Corridor

See Table for Specific Information

CUSD School	PUSD School (relocation site)
Chico Charter School	Paradise Charter School (relocation site)
Private School	Daycare/Youth Center

Eligible Zoning Districts
(Districts Outside Incorporated Area Appear Faded)

- Office Zoning Districts
- Commercial Zoning Districts
- Manufacturing Zoning Districts



MAPID Name**1,000 Foot Buffer**

CUSD Schools

1	Chico HS
5	Marsh JHS
6	Chico JHS
15	Fairview HS
19	Bidwell JHS
37	Academy for Change HS
38	Pleasant Valley HS
40	Oak Bridge Academy (6-12, online)
66	Inspire HS

Chico Charter Schools

12	Chico Country Day CS (K-8)
34	Blue Oak CS (K-8)
42	CORE Butte (under construction)
61	Core Butte CS (K-12)
72	Wildflower CS (K-8)

Private Schools

20	Chico Oaks Adventist School PS (Preschool - 8)
59	Zanella Academy PS (K-12)

PUSD Schools (relocation sites)

45	Achieve CHS
48	Paradise Intermediate School
49	Paradise HS (online)
57	Paradise HS
65	Paradise Middle School

600 Foot Buffer

CUSD Schools

3	Little Chico Creek ES
7	Citrus ES
8	Emma Wilson ES
11	Rosedale ES
17	Marigold ES
18	Loma Vista SS
22	Hooker Oak ES
24	Sierra View ES
25	Neil Dow ES
27	Chapman ES
29	McManus ES
32	Parkview ES
33	Shasta ES

Private Schools (relocation sites)

10	Notre Dame PES
35	Progressive PES
60	Pleasant Valley Baptist PES

Paradise Charter Schools (relocation sites)

43	Achieve CES
44	Children's Community CES

Key

ES	Elementary School
JHS	Junior High School
HS	High School
SS	Special Services School
CS	Charter School
PS	Private School

MAPID Name**600 Foot Buffer**

Daycare/Youth Centers

2	Head Start
4	BCOE Preschool
9	Head Start
13	Head Start
14	Castles Preschool
16	Peanut Butter Palace Daycare
21	Kinder Kids
23	Little Discoveries Daycare
26	Chico Montessori Children's Playhouse
28	Laura's Preschool
30	Storybook Schoolhouse
31	Laura's Daycare
36	Mi Escuelita Maya
39	Little Sprouts Preschool
41	Smart Start Preschool
46	Boys & Girls Club
47	Teen Center
50	Super Luper Kids
51	Child Development Lab (CSUC)
52	King's Christian Preschool
53	Parkside Preschool & Daycare
54	Sunny Garden Montessori Preschool
55	Preschool
56	Enchanted Play Center
58	Little Treasures Preschool
62	Notre Dame Preschool
63	Dorothy Johnson Community Center
64	Bidwell Academy
67	Kids Park
68	Salvation Army Youth Complex
69	Esplanade House Childcare
70	Daycare
71	Daycare
72	Youth For Change Center

Highlighted Areas

Regional Commercial Areas

A	Skyway
B	E 20th Street
C	North Valley Plaza

Corridors

1	Esplanade
2	Mangrove Avenue
3	Nord/Walnut Avenues
4	Park Avenue