

## **Attachment B**

The following is an excerpt from the Solano County Board of Supervisors meeting of November 14, 2017 with regard to Cannabis.

*Central Services Manager Dianne Luna also provided information on the proposed revisions.*

*In response to comments from Supervisor Brown, Mr. Artiche provided information on historical records preservation activities and methods.*

*In response to comments from Supervisor Hannigan, Ms. Luna provided information on objectives of the prior managed print services contract. She noted that the County was still experiencing cost savings from the implementation of the contract.*

*In response to questions from Supervisor Spering, Mr. Artiche provided information on the department head purchasing authority threshold levels. County Administrator Birgitta Corsello provided information on the Performance Improvement Committee that provided recommendations on the threshold levels. She noted that all of the department heads were given the opportunity to comment on the levels. She then noted that the \$7,500 threshold indicated was targeted specifically for credit card use for things like training, travel and workshops.*

*Supervisor Spering commented on credit card control.*

**On motion of Supervisor Thomson, seconded by Supervisor Brown, the Board approved revisions to the County Purchasing and Contracting Policy Manual; and Authorized the County Administrator, or designee, to approve technical changes as necessary. So ordered by 5-0 vote.**

## RECESS

*This meeting of the Solano County Board of Supervisors recessed at 10:20 A.M. and reconvened at 2:00 P.M. All members were present and Chair Vasquez presided.*

**2:00 P.M.**

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**17-815**

Conduct a noticed public hearing and consider adoption of a one-year extension of the Interim Urgency Ordinance which established a prohibition on the commercial cultivation of medicinal cannabis and non-medicinal cannabis, and prohibited commercial delivery, distribution, transportation, manufacturing, retail operations, and testing facilities for medicinal cannabis and non-medicinal cannabis within the unincorporated territory of Solano County; Adopt an ordinance approving the extension to the urgency ordinance (4/5 vote required); Consider background information prepared by staff on commercial cannabis license types and possible zoning districts where such activities might be allowed; Receive a report from the Cannabis Ad-hoc Committee regarding their research and initial findings/recommendations regarding possible commercial cannabis license types that should be given further consideration in certain zoning districts in unincorporated Solano County; and Provide direction to staff on possible parameters for a draft ordinance

Attachments:      [A - Ordinance](#)  
                              [B - License Types Under MAUCRSA](#)  
                              [C - Summary/Analysis of Zoning Districts & Licenses Table & Comments](#)  
                              [D - Cities Cannabis Regulations](#)  
                              [E - Counties Cannabis Regulations](#)  
                              [F - Notice of Public Hearing](#)  
                              [Presentation](#)  
                              [Adopted Ordinance](#)  
                              [Correspondence](#)  
                              [Minute Order](#)

Chair Vasquez advised that the items would be taken up individually.

***On motion of Supervisor Thomson, seconded by Supervisor Brown, the Board approved reading the proposed ordinance by title only and waiving further reading of the ordinance to adopt a final extension of an Interim Urgency Ordinance prohibiting the following land uses within the unincorporated territory of the County of Solano: All commercial cannabis activity, including commercial cultivation, distribution, manufacturing, retail operations and testing of cannabis; Adopt as an urgency measure. So ordered by 5-0 vote.***

Senior Planner Karen Avery provided an overview of the agenda item topics, the past Board actions concerning the Interim Urgency Ordinance and staff's request for an extension of the ordinance.

Chair Vasquez opened the public hearing.

Chair Vasquez invited members of the public to address the Board on this matter and the following comments were received:

A) James Hinton, Napa, commented in opposition to extending the Interim Urgency Ordinance.

Chair Vasquez closed the public hearing.

Supervisor Hannigan made a motion to approve the ordinance and asked that this issue not be extended another year.

Supervisor Brown commented in opposition to the ordinance noting that she felt the moratorium was unnecessary.

Supervisor Thomson commented that he was not in support of cannabis growing in the county and that he was voting for the extension simply because it required a 4/5 vote.

***On motion of Supervisor Hannigan, seconded by Supervisor Spering, the Board adopted Ordinance No. 2017-1789, a final extension of an Interim Urgency Ordinance prohibiting the following land uses within the unincorporated territory of the County of Solano: All commercial cannabis activity, including commercial cultivation, distribution, manufacturing, retail operations and testing of cannabis; Adopted as an urgency measure. Supervisor Brown voted no. So ordered by 4-1 vote.***

*Ms. Avery provided an overview of state licensing agencies for nurseries and cultivators, state license types and commercial cannabis license types permitted/not permitted in Solano cities. She then provided an update on the activities of the Board Cannabis Ad-Hoc Committee.*

*Supervisor Hannigan thanked staff for working on all the information and tours that were provided to the ad-hoc committee. She noted that the County had jurisdiction over unincorporated areas and not over the cities. She then commented on discussions that took place about cultivation businesses, the need for use permits to ensure appropriate locations and reduce impacts on neighbors and the environment, nurseries being limited to ag and ag industrial zoning located on larger parcels that would not be the primary ag activity on the property. She noted that she was supportive of owner-occupied/owner-operator nurseries and not leasing them to a third property to support small business owners.*

*Chair Vasquez thanked staff for the information to the ad-hoc committee. He noted that taking personal beliefs out of it when looking at everything was helpful. He then commented on looking at microbusinesses and vertical integration. He advised that it would take a lot more work for staff to come up with regulations and conditions for permits.*

*Supervisor Hannigan commented on discussions concerning square footage of cannabis cultivation and cannabis not being the primary ag business on a property.*

*Chair Vasquez noted that he was bringing the idea of cannabis as a microbusiness to the board for discussion.*

*Chair Vasquez opened the public hearing.*

*Chair Vasquez invited members of the public to address the Board on this matter and the following comments were received:*

- A) James Hinton, Napa, commented in support of microbusinesses, in support of Type 6 Manufacturer 1 licenses, compliance and developing a brand.*
- B) Christen Brown, unknown residence, commented in support of allowing commercial cannabis.*
- C) Rascal Cayangyang, Richmond Progressive Alliance, commented in support of allowing light commercial cannabis and with allowing Type 6 licenses.*
- D) Matthew Pasqual, Santa Rosa, commented in support of commercial cannabis regulation to ensure proper delivery, lab testing and distribution.*

*E) Mark Richard, Vacaville, commented in support of allowing commercial cannabis nurseries and microbusinesses.*

*Chair Vasquez closed the public hearing.*

*In response to a question from Supervisor Thomson, Deputy County Counsel Davina Smith provided information on current federal banking and taxing of cannabis.*

*In response to a question from Supervisor Spering, Ms. Smith provided information on reporting of cannabis cash sales for purposes of filing taxes.*

*Supervisor Spering if anyone in the audience could provide information on filing taxes related to cannabis income.*

*Mr. Pasqual advised that there was a working bank group discussing the issue of banking for cannabis businesses and that Internal Revenue Code section 280E was used for filing taxes.*

*Mr. Richard also commented on Internal Revenue Code section 280E and the use of track and trace for reporting and auditing.*

*Supervisor Thomson commented on the need for consequences for those that did not follow the rules.*

*Ms. Smith advised that the state and local jurisdictions would both have a role in regulation and that this would need to be considered further.*

*In response to questions from Chair Vasquez, Ms. Smith advised that unlicensed cultivation was illegal and that there were several avenues for enforcement. She noted that elimination of the black market of cannabis was a goal of the state and that the state was hiring many different types of regulators. She then advised that staff was anticipating state regulations about this matter.*

*County Administrator Birgitta Corsello commented on state licensing agencies and noted that local jurisdictions would still have some responsibilities for enforcement. She then asked the Board for direction on what they would like staff to focus on concerning commercial cannabis license types.*

*Supervisor Hannigan noted that cultivation and nurseries were different and that the distinction should be made. She noted that the Cannabis Ad-Hoc Committee had discussed cannabis delivery.*

*Ms. Avery noted that the question of taxes for a dispensary delivering to unincorporated County was still being looked at.*

*County Counsel Dennis Bunting noted that delivery would be a different subject altogether and suggested looking at distributorship.*

*Supervisor Hannigan noted that a retailer would be using a point of sale system to manage their products for auditing and taxing purposes. She then noted discussion of whether to allow deliveries into the unincorporated areas.*

*Mr. Bunting advised that counties would likely have a difficult time restricting or banning cannabis deliveries.*

*Supervisor Brown requested that the Board consider looking at everything that the City of Dixon was doing. She suggested looking at the unincorporated areas near to where Dixon and Rio Vista were zoning for cannabis and use a model so that local jurisdictions had the same or similar rules across boundaries.*

*In response to a question from Supervisor Hannigan, Ms. Avery provided information on unincorporated areas noting that there were no city services such as sewer or water that were connected already. She noted that many areas were zoned agriculture and it would take a vote of the people to change the zoning.*

*Director of Resource Management Bill Emlen noted that patrolling of the unincorporated areas would be less frequent as well.*

*In response to a question from Chair Vasquez, Ms. Avery noted that zoning text amendments in the form of an ordinance would be needed to allow cannabis uses and that it would need to go through the ordinance process.*

*Mr. Emlen advised that the process would include going back to the Planning Commission for a recommendation to the Board of Supervisors.*

*Ms. Smith advised that staff needed direction from the Board on what license types and regulations to take to the Planning Commission.*

*Supervisor Spering noted that it would be helpful to hear each Board member's objective on the matter. He then advised that the cannabis black market would always be around and that it was available to everyone. He then commented on potential impacts on ag businesses in the long term.*

*Supervisor Hannigan advised that cannabis was an opportunity to increase revenues. She commented on the importance of being mindful of what was a good fit for unincorporated areas. She noted that a nursery was a logical choice to satisfy utilizing tax and fitting into the ag environment.*

*Supervisor Thomson advised that he did not support cannabis licenses in watershed and conservation, marsh protection and park districts.*

*In response to a question from Supervisor Thomson, Planning Manager Mike Yankovich noted that Commercial Recreation and Recreation Limited districts were places like Collinsville.*

*Ms. Corsello noted that the districts were parcels in places like waterfronts.*

*Supervisor Brown noted that there would be still need language for these districts and that language should be crafted and ready to apply down the road. She noted a need to gather input from people on what to do with their properties.*

*Chair Vasquez advised that enforcement would be required no matter what and that future discussions should address this and include impacts to County services. He then advised that impacts to the ag commissioner, public and environmental health also needed to be addressed no matter what direction the Board took.*

*Mr. Emlen advised that more work needed to be done and suggested that staff could bring the matter back again for another discussion but needed some general parameters to begin with.*

*Chair Vasquez asked the board members if they wanted to move forward in any categories.*

*Supervisor Spering advised that if the objective was to raise revenues then the Board needed to know which licenses and activities would do that.*

*Mr. Emlen advised that there were a lot of costs that went along with revenues.*

*Chair Vasquez asked the board members for any further direction or comments.*

*Supervisor Thomson advised that he was not interested in cannabis in unincorporated areas in any manner and noted that cities were more set up for it.*

*Supervisor Brown advised that she was interested in getting regulations in place for allowing commercial cannabis.*

*Supervisor Hannigan advised that she was interested in having staff look more into nurseries and microbusinesses and on deliveries as well.*

*Chair Vasquez noted that deliveries could occur in cities.*

*Mr. Bunting advised that mobile was different than delivery.*

*Supervisor Spering advised that he was in support of medical marijuana but not supportive of cannabis in unincorporated areas.*

*Chair Vasquez commented on discussions in the ad-hoc committee regarding nurseries and on cannabis microbusinesses that could be on 20+ acre ag parcels. He commented that he had been approached about the subject of microbusinesses from landowners.*

*Chair Vasquez then noted that Supervisors Thomson and Spering were against any commercial cannabis. He then asked for clarification from staff on what was needed.*

*Ms. Corsello noted that it was a land-use matter and that staff needed direction from the Board as to what they wanted staff to do.*

*Supervisor Spering suggested that the ad-hoc committee meet with staff.*

*In response to a comment from Supervisor Thomson, Ms. Corsello noted that some sort of environmental analysis would need to be done to look potential at impacts of adding additional products or businesses into different zones.*

*Supervisor Thomson suggested that the ad-hoc meet with staff again. He then advised that analysis needed to be done to see if commercial cannabis would be lucrative or not.*

*Chair Vasquez advised that a lot of work on the issue had already been done and that he did not want to continue to tie up staff time.*

*Supervisor Spering advised that Chair Vasquez would need to make his decision as the swing vote.*

*Mr. Yankovich advised that staff could do more work on nurseries and microbusiness license types.*

*Mr. Emlen advised that staff could do analysis on business license tax in the context of the nursery and microbusiness licenses regarding costs and revenue generation.*

*In response to a question from Chair Vasquez, Mr. Emlen advised that the matter was a zoning issue. He noted that the matter would go back to the Planning Commission no matter which direction was given.*

*Supervisor Hannigan noted that she would want to avoid back and forth with the Planning Commission.*

*Mr. Emlen advised that staff could do further refinement on license types to look at where they would best fit.*

*In response to comments from Supervisor Brown, Mr. Emlen noted that all the allowed licenses under a microbusiness would have to be addressed.*

*Chair Vasquez advised that he was not in support of allowing commercial cannabis in unincorporated areas.*

*Ms. Smith noted that staff would go to the Planning Commission with the Board's direction to prepare an ordinance to ban all cannabis business activities in the unincorporated area.*



*In response to a question from Supervisor Brown, Mr. Bunting advised that the minutes would reflect the direction to staff to prepare an ordinance.*

*The Board provided direction to staff on parameters for a draft ordinance to prohibit commercial cannabis within unincorporated Solano County.*

## **BOARD MEMBER COMMENTS AND REPORTS ON MEETINGS**

*County Counsel Dennis Bunting provided an update on litigation concerning lead paint.*

*Chair Vasquez invited members of the Board to make comments or reports on meetings. The following comments were received:*

*A. Chair Vasquez requested that this meeting of the Solano County Board of Supervisors be adjourned in memory of Ernest Mike Gnos, an active member of the Dixon community.*

## **ADJOURN:**

*This meeting of the Solano County Board of Supervisors adjourned at 3:48 P.M. in memory of Ernest Mike Gnos. Next meeting of the Solano County Board of Supervisors will be December 5, 2017 at 8:30 A.M., Board Chambers, 675 Texas Street, Fairfield, California.*

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JOHN M. VASQUEZ, Chair  
Solano County Board of Supervisors

BIRGITTA E. CORSELLO, Clerk  
Solano County Board of Supervisors

By \_\_\_\_\_  
Jeanette Neiger, Chief Deputy Clerk