



## Planning Commission Agenda Report

Meeting Date 1/21/2020

DATE:	1/21/2020	Files: PC20-01
TO:	PLANNING COMMISSION	
FROM:	John Kearns, Senior Planner (707.421.7337, <a href="mailto:jkearns@suisun.com">jkearns@suisun.com</a> )	
RE:	Proposed Amendments to Chapter 18.49 "Cannabis Regulatory Program"	

### SUMMARY

Planning Division staff is bringing forward proposed amendments to the Chapter 18.49 "Cannabis Regulatory Program" of the Suisun City Code. The Request for Applications (RFA) was released January 9, 2020 which allows for selecting a single operator of retail storefront in the Commercial Services and Fabricating zoning district. Meanwhile, the City Council has directed staff to prepare amendments to the code that would allow for additional locations for such uses, as well as various text amendments including new definitions.

**Recommendation:** Planning staff recommends adoption of Resolution No. PC20-\_\_\_; A Resolution of the Planning Commission of the City of Suisun City Recommending City Council Adoption of Ordinance No. \_\_\_: An Ordinance of the City Council of the City of Suisun City, California Amending Chapter 18.49 "Cannabis Regulatory Program" of the Suisun City Code.

**Proposed Motion:** I move that the Planning Commission adopt Resolution No. PC20-\_\_\_, A Resolution of the Planning Commission of the City of Suisun City Recommending City Council Adoption of Ordinance No. \_\_\_: An Ordinance of the City Council of the City of Suisun City, California Amending Chapter 18.49 "Cannabis Regulatory Program" of the Suisun City Code.

### BACKGROUND/DISCUSSION

The City of Suisun City has engaged in discussions related to the regulation of cannabis uses since early 2017. Discussions have explored both the potential benefits and concerns associated with commercial cannabis uses. Public forums in which cannabis regulations have been discussed include:

- March 21, 2017 – First City Council Briefing and Policy Discussion
- April 4, 2017 – Second City Council Policy Discussion
- April 11, 2017 – Planning Commission Briefing and Policy Discussion
- June 7, 2017 – Cannabis Policy Community Meeting
- December 12, 2017 - Planning Commission Hearing
- January 16, 2018 – City Council Hearing

- February 20, 2018 – City Council Hearing
- March 6, 2018 – City Council Hearing
- April 30, 2018 – Planning Commission Hearing
- May 29, 2018 - The City Council adopted Ordinance No. 750, adding Chapter 18.49 (“Cannabis Regulatory Program”) to the Suisun City Code (SCC)
- March 5, 2019 - The City Council received a report on this item and provided initial comments to staff.
- December 3, 2019 – City Council directed staff to prepare amendments to Chapter 18.49 that would expand opportunities for retail storefronts and various text amendments.
- December 17, 2019 – City Council amended Master Fee Schedule which included cannabis application fee and Commercial Cannabis Business Permit fee increases.

On March 5, 2019, the City Council received a report on this item and provided initial comments to staff. An Ad Hoc committee was formed consisting of Councilmembers Adams and Williams to address the concerns of the March 5th City Council meeting. The Ad Hoc met several times over the following months and provided recommendations to the City Council regarding:

- Setting a tax rate for commercial cannabis uses (both a percentage of gross receipts and a per square footage cost;
- Release of the Request for Applications (RFA); and
- Amendments to Chapter 18.49 of the Suisun City Code.

## **ANALYSIS**

A complete red-line of the proposed amendments to the ordinance are included as Attachment 1. Below is a high-level summary of the significant proposed amendments:

### **Cannabis Regulations.**

The following changes have been proposed to Section 18.49 “Cannabis Regulatory Program” of the Suisun City Code.

#### **Section 18.49.020 Definitions.**

- Added “Consumption cafe/lounge,” meaning: “for the onsite retail sale and consumption of cannabis or cannabis products. A consumption cafe/lounge shall have a licensed premises that is a physical location from which commercial cannabis activities are conducted. The consumption cafe/lounge shall only sell cannabis or cannabis products to adults 21 years of age or older for onsite consumption, either through smoking, vaping, or ingestion of edible or topical products. The space occupied by a consumption cafe/lounge shall be definite and distinct from the space where other activities licensed under this division are exercised, and shall be accessed through a separate entrance.”

#### **Section 18.49.030 and 18.49.040 Allowed and Prohibited Uses**

- Removed “Type 12 = Microbusiness” from prohibited uses.

#### **Section 18.49.050 Permitted Types of Commercial Cannabis Operations**

- Added “Type 12 = Microbusiness” and “Type 14 = Consumption cafe/lounge.”

Section 18.49.060 Cannabis Business Zone; Establishment and Criteria.

- Defined residential zones as RL, RM, RH1, RH2, RMU or within the Waterfront District Specific Plan RLD, RMD, HR, RHD, HLC
- Removed minimum 10-acre requirement.

Section 18.49.070 Cannabis Business Zone Development Agreements.

- Removed exemption from Development Agreements for facilities under 10,000 square feet.
- Removed two-year term of Development Agreement. Requires an annual ministerial review to check for compliance.
- Redefines a qualified applicant as any entity approved by the City.
- Removed under 10,000 square feet exemption for transferees.
- Removed the exemption for transferees that are not changing the activities.
- Clarified that all real property is subject to a development agreement.

Section 18.49.090 Application for Commercial Cannabis Business Permit

- Removed redundant information requirement regarding name, address, email, and phone number of applicant.
- Removed requirements for information on current or prospective employees.

Section 18.49.140 Renewal of Commercial Cannabis Business Permit

- Renewed annually subject to ministerial review.

Section 18.49.150 General Operating Standards and Restrictions

- Removed felony convictions for cannabis as a disqualifier for criminal background checks.

Section 18.49.160 Commercial Cannabis Retailer (Storefront and Non-Storefront): Establishment, Operating Standards and Restrictions.

- Recommended up to **three** commercial cannabis business permits for a storefront retailer.
- Storefront retailers may be permitted to operate only in the following zones: CSF – Commercial Services Fabricating; CMU – Commercial Mixed Use; DMU – Downtown Mixed Use; MSMU – Main Street Mixed Use.
- Specified which allowed license type is allowed in certain zones.

Type	Zone
Type 1A = Cultivation; Specialty Indoor; Small.	CSF
Type 1B = Cultivation; Specialty Mixed-Light; Small.	CSF
Type 2A = Cultivation; Indoor; Small.	CSF
Type 2B = Cultivation; Mixed-Light; Small.	CSF
Type 3A = Cultivation; Indoor; Medium	CSF
Type 3B = Cultivation; Mixed-Light; Medium	CSF
Type 4 = Cultivation; Nursery.	CSF
Type 5A = Cultivation; Indoor; Large.	CSF
Type 5B = Cultivation; Mixed-Light; Large.	CSF

Type 6 = Manufacturer 1 (extractions using mechanical methods or nonvolatile solvents).	CSF
Type 7 = Manufacturer 2 (extractions using volatile solvents).	CSF
Type N = Manufacturer (no extractions, pursuant to 17 CCR § 40118, and as may be amended).	CSF
Type P = Manufacturer (packaging and labeling only, pursuant to 17 CCR § 40118, and as may be amended).	CSF
Type 8 = Testing Laboratory.	CSF, CMU, DMU
Type 9 = Non-Storefront Retailer (by delivery only, pursuant to 16 CCR § 5414, and as may be amended).	CSF, DMU
Type 10 = Retailer.	CSF, CMU, DMU, MSMU
Type 11 = Distributor.	CSF
Type 12 = Microbusiness	CSF, CMU, DMU, MSMU
Type 13 = Distributor (transport only, pursuant to 16 CCR § 5315, and as may be amended).	CSF
Cultivation License Types for Indoor or Mixed-Light pursuant to 3 CCR § 8201, and as may be amended).	CSF
Type 14 = Consumption cafe/lounge	CMU, DMU, MSMU

#### CEQA Review

The proposed project (“Project”) is adoption of an ordinance that would establish regulations related to personal use cannabis cultivation and commercial cannabis uses. The proposed ordinance also establishes standards and regulations related to commercial cannabis operations. However, approval of the ordinance would not allow commercial cannabis activities, as these activities would be subject to subsequent review and approval of a Cannabis Business Permit. Under the proposed regulations, up to three retail storefronts could be allowed in specific commercial zones and such dispensaries would be consistent in character, traffic and potential environmental impacts to uses that are currently allowed in such zones. All other commercial cannabis uses, including cultivation, manufacture, distribution and testing could only be conducted within approved Cannabis Business Zones and no such Cannabis Business Zones are proposed at this time. Thus, approval of the proposed ordinance would not result in any changes to the physical environment that would not be allowed by State law or without additional discretionary approvals from the City that establish a Cannabis Business Zone and/or grant permits for operation of commercial cannabis businesses.

Based on the above, adoption of the proposed ordinance does not have the potential to cause a significant effect on the environment. Therefore, pursuant to CEQA Guidelines Section 15061, the Project is exempt from CEQA. Additional details of the Project’s CEQA analysis are provided within Attachment 2, Notice of Exemption.

#### **Planning Commission Options**

The Planning Commission has several options in considering the proposed ordinance. Actions that the Planning Commission may take at this meeting include:

- Recommend City Council adoption of ordinance as presented by staff;
- Recommend City Council adoption of ordinance with changes specified at the Public Hearing;
- Recommend City Council not adopt the ordinance with certain findings; or
- Continue the item for further discussion.

### **Next Steps**

As stated previously, the Planning Commission is the recommending body for the subject ordinance. Since the ordinance and amendments are within Title 18 “Zoning,” the Planning Commission does have the authority to make the recommendation to the City Council. Following Planning Commission action, the Solano County Airport Land Use Commission will conduct a meeting to determine the consistency of the proposed ordinance with the Travis Air Force Base Land Use Compatibility Plan before the ordinance ultimately goes to the City Council at a future public hearing for consideration.

### **PUBLIC CONTACT**

The agenda was posted on the Suisun City website. As of the date of this report, no additional inquiries regarding this item had been received by City staff.

### **DISTRIBUTION**

#### **Internal**

- PC Distribution
- City Manager Greg Folsom
- Senior Planner John Kearns
- Assistant Planner Joann Martinez

#### **External**

- City Website <https://www.suisun.com/planning-commission/>

### **ATTACHMENTS**

1. PC 20-\_\_: A Resolution of the Planning Commission of the City of Suisun City Recommending City Council Adoption of Ordinance No. \_\_: An Ordinance of the City Council of the City of Suisun City, California Amending Chapter 18.49 “Cannabis Regulatory Program” of the Suisun City Code.
2. Ordinance No. \_\_\_\_: An Ordinance of the City Council of the City of Suisun City, California Amending Chapter 18.49 “Cannabis Regulatory Program” of the Suisun City Code. (Clean Version).
3. Ordinance No. \_\_\_\_: An Ordinance of the City Council of the City of Suisun City, California Amending Chapter 18.49 “Cannabis Regulatory Program” of the Suisun City Code. (Redlined Version).
4. Proposed Cannabis Zones Map.
5. Draft Notice of Exemption.
6. PowerPoint Presentation.