

From: Michael Wheeler <michael.wheeler@flowkana.com>
To: <cob@mendocinocounty.org>
Date: 9/29/2017 5:55 PM
Subject: Comments on Item 5(g) for October 3 Board of Supervisors meeting
Attachments: Oct3BOS_Flow Kana_Comments_Final.pdf; Chapter20243_FlowKana_redline_Oct 3.docx

Dear County Administrator,
Please accept the attached documents relating to Item 5(g) of the October 3, Board of Supervisors meeting, "Discussion and Possible Action to Introduce and Waive First Reading of an Ordinance Adopting Chapter 6.36 - Cannabis Facilities Businesses and Chapter 20.243 - Cannabis Facilities"

Discussion and justification of our key points are contained in the PDF document.
Representation of our amendments in redline format are contained in the Word document.

With respect,

Michael

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Michael Wheeler
Vice President, Policy Initiatives
FLOW KANA
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Chapter 20.243 – ~~Medical and Adult~~ Use Cannabis Facilities

20.243.010 Title, Purpose and Intent.

This Chapter shall be known as and may be referred to in all proceedings as "Cannabis Facilities Code" or "CFC."

It is the purpose and intent of this Chapter to regulate the processing, manufacturing, testing, dispensing, retailing and distributing of cannabis for medical use and adult within the unincorporated areas of Mendocino County in a manner that is consistent with current State law and to establish a program to be implemented in coordination with the State of California's future implementation of the Medical and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA").

All commercial processing, manufacturing, testing, dispensing, retail sales and distributing of medical and adult use cannabis within the jurisdiction of the County of Mendocino inland of the coastal zone shall be controlled by the provisions of this Chapter, regardless of whether the business existed or occurred prior to the adoption of this Chapter. Nothing in this Chapter is intended, nor shall it be construed, to exempt the commercial processing, manufacturing, testing, dispensing, retailing, or distributing of cannabis for medical and adult use, as defined herein, from compliance with all other applicable Mendocino County zoning, land use regulations, or other applicable provisions of the County Code, from any and all applicable local and state construction, electrical, plumbing, environmental, or building standards or permitting requirements, or from compliance with any applicable state laws.

These regulations shall apply to the location and permitting of commercial processing, manufacturing, testing, dispensing, retailing and distributing of cannabis for medical and adult use in zoning districts within which such use is authorized, as specified in this Chapter.

Nothing in this Chapter is intended, nor shall it be construed, to preclude a landlord or property owner from limiting or prohibiting commercial processing, manufacturing, testing, dispensing, retailing and distributing of cannabis for medical and adult use on private property.

All persons operating facilities and conducting activities associated with the cultivation of cannabis for medical or adult use, as defined in this Chapter, are subject to possible federal prosecution, regardless of the protections provided by state or local law.

20.243.020 Application.

The processing, manufacturing, testing, dispensing, retailing and distributing of cannabis for medical and adult use is prohibited in all zoning districts in Mendocino County governed by Division I of this Title, except as allowed by this Chapter.

20.243.30 Definitions.

The definitions in this Chapter are intended to apply solely to the regulations in this Section. Applicable definitions in Mendocino County Code Sections 10A.17.020 and Section 20.242.030 shall also apply to this Chapter. As used herein the following definitions shall apply:

"A-license" means a state license issued under this division for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.

- "A-licensee" means any person holding a license under this division for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.

"Bureau" means the Bureau of Cannabis Control.

"Cannabis product" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. "Cannabis product" also means marijuana products as defined by Section 11018.1 of the California Health and Safety Code and is not limited to medical cannabis products.

"Cannabinoid" or "phytocannabinoid" means a chemical compound that is unique to and derived from cannabis.

"Cannabis facility" means a structure and/or location where retailing, distributing, processing, testing, manufacturing or delivering cannabis for either medical or adult use is operating.

"Caregiver" or "primary caregiver" has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code.

"Commercial cannabis activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of cannabis and cannabis products as provided for in this division.

"Customer" means a natural person 21 years of age or over; or a natural ~~person~~ person 18 years of age or older who possesses a physician's recommendation.

"Department" means the Mendocino County Planning and Building Services.

"Day care center" has the same meaning as in Section 1596.76 of the Health and Safety Code.

"Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer.

"Distribution" means the procurement, sale, and transport of cannabis and cannabis products between licensees.

“Edible cannabis product” means cannabis that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food as defined by Section 109935 of the Health and Safety Code or a drug as defined by Section 109925 of the Health and Safety Code.

“Environmental Health” means the Environmental Health Division of the Mendocino County Health and Human Services Agency or the authorized representatives thereof.

“Extraction” means a process by which cannabinoids are separated from cannabis plant material through chemical or physical means.

“License” means a state license issued pursuant to MAUCRSA, and includes both an A-license (Adult Use) and an M-license (Medical), as well as a testing laboratory license.

“Licensee” means any person holding a license under this division, regardless of whether the license held is an A-license or an M-license, and includes ~~the~~ the holder of a testing laboratory license.

~~“M-license” means a state license issued under this division for commercial cannabis activity involving medicinal cannabis.~~

~~“M-licensee” means any person holding a license under this division for commercial cannabis activity involving medicinal cannabis.~~

“Manufacturing Level 1 (Non-Volatile)” means facilities that manufacture medical or adult use cannabis products using nonvolatile solvents, or no solvents.

“Manufacturing Level 2 (Volatile)” means facilities that manufacture medical or adult use cannabis products using volatile solvents.

“MAUCRSA” means the Medical and Adult-Use Cannabis Regulations Safety Act.

~~“Medical retailer” means the retail sale and delivery of medical cannabis or cannabis products to customers.~~

~~“Mendocino County Certified Unified Program Agency (CUPA)” means the agency certified to implement the unified hazardous waste and hazardous materials management regulatory program set forth in Section 25404 of the Health and Safety Code.~~

“Microbusiness” means the cultivation of adult use cannabis on an area less than 10,000 square feet and acting as a licensed distributor, Level 1 manufacturer, and retailer under this Chapter, provided such licensee complies with all requirements imposed by this Chapter on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the licensee engages in such activities.

“Nonvolatile extraction” means an extraction method using nonvolatile solvents (such as carbon dioxide or “CO₂”) to manufacture medical or adult use cannabis products.

“Nonvolatile solvent” means any solvent used in the extraction process that is not a volatile solvent. For purposes of this division, a nonvolatile solvent includes carbon dioxide used for extraction.

“Person” means any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, whether organized as a nonprofit or for-profit entity, and includes the plural as well as the singular number.

“Processing Facility” means location or facility where medical or adult use cannabis is dried, cured, graded, trimmed, and/or packaged by or under the control of one or more licensed cultivators, at a location separate from the cultivation site where the medical or adult use cannabis is grown and harvested.

“Retailer/Dispensary” means ~~for~~ the retail sale and delivery of cannabis or cannabis products to customers.

“State” means the State of California.

“Testing” means for testing of cannabis and cannabis products. “Testing laboratory” means a facility, entity, or site in the State that offers or performs testing of cannabis or cannabis products and that is both of the following:

- (A) Accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state; and
- (B) Licensed by the Bureau.

~~“Treasurer Tax Collector” means the Treasurer Tax Collector of the County of Mendocino, and his or her deputies.~~

“Volatile extraction” means an extraction method using volatile solvents to manufacture medical or adult use cannabis products.

“Volatile solvent” means any solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures. ~~Examples of volatile solvents include but are not limited to, butane, hexane, propane, and ethanol.~~

“Youth center” has the same meaning as in Section 11353.1 of the Health and Safety Code.

20.243.40 Use Classifications

The purpose of these provisions is to classify uses into a limited number of use types on the basis of common functional, product or compatibility characteristics, thereby providing a basis for regulation of uses in accordance with criteria which are directly relevant to the public interest.

(A) Processing Facilities.

- (1) Processing facilities, as defined herein, shall be an ~~industrial~~ agricultural use type.

- (2) Processing facilities for cannabis grown on site pursuant to a permitted cultivation operation shall be allowed as an accessory use in all zones where cultivation is permitted pursuant to Chapter 10A.17 *Medical Cannabis Cultivation Ordinance* ~~and is subject to the provisions of Chapter 20.156 *Home Occupations*. If Home Occupation standards cannot be met, then a Cottage Industry Use Permit pursuant to Chapter 20.160 shall be required.~~

(B) Manufacturing Facilities.

- (1) Manufacturing facilities, as defined herein, shall be an industrial use type.
- (2) Exception for home manufacturing.
- a. Non-volatile manufacturing as an accessory use to cultivation is be allowed in all zones where cultivation is allowed pursuant to Chapter 10A.17 *Medical Cannabis Cultivation Ordinance* and is subject to the provisions of Chapter 20.160 *Cottage Industry* and the following provisions:
- i. The cultivator engaging in home manufacturing must be ~~licensed~~ permitted to cultivate pursuant to Chapter 10A.17 *Medical Cannabis Cultivation Ordinance* and must reside on the property where the home manufacturing is occurring.
- ii. All cannabis used in home manufacturing must be cultivated on site, under a Type C, Type C-A or Type C-B cultivation permit issued pursuant to Chapter 10A.17.
- iii. No edible cannabis products may be produced.
- iv. Only nonvolatile extraction methods may be used.

(C) Testing Laboratories and Research Institutions.

- (1) Testing laboratories and research institutions, as defined herein, shall be a commercial use type.
- (2) Testing licensees shall not
- a. hold a license in another facility or category established by this Chapter; or
- b. own or have an ownership interest in any other facility or category licensed pursuant to this Chapter.

(D) ~~Medical Cannabis Dispensaries~~Retailers (formerly Dispensaries)~~Retailer/Dispensary.~~

- (1) ~~Medical Cannabis Dispensaries~~A Retailers/Dispensary, as defined herein, shall be a commercial use type.
- (2) This section applies to all ~~medical cannabis dispensaries~~retailers/dispensaries, as defined in Section 20.243.030 of this Chapter.
- (a) ~~Medical cannabis dispensaries~~M-license retailers/dispensaries that cultivate nursery stock or seeds must comply with the provisions of Mendocino County Code Chapter 10A.17 *Medical Cannabis Cultivation Ordinance*.
- (b) ~~Dispensaries~~MedicalM-license retailers/dispensaries that engage in mobile deliveries are prohibited from having any advertisement of their business or services on their delivery vehicles.

~~(b) (E)~~
~~}-Retailers.~~

- ~~(4) Retailer, as defined herein, shall be a commercial use type.~~

~~(2) This section applies to all retailers, as defined in Section 20.243.030 of this Chapter.~~

(c) On-site consumption of cannabis is permitted in outdoor areas of A-license retailers/dispensaries, such as patios or decks, ~~is allowed~~ and shall adhere to existing smoking ordinances~~the provisions of Mendocino County Code Chapter 9.32 Smoking Pollution Control and Health Protection Ordinance.~~

(d) Promotional items and free product give-a-ways by ~~adult-use cannabis~~A-license retailers/dispensaries is prohibited.

~~(F)~~(E) Distribution Facility.

(1) Distribution facility, as defined herein, shall be a commercial use type.-

~~(G)~~(F) Microbusinesses.

(1) ~~Adult Use Cannabis~~ Microbusiness, as defined herein, shall be ~~an industrial~~the use type which is the predominant use type of that microbusiness.

(2) Microbusinesses with on-site cultivation must comply with and obtain a ~~license permit pursuant to Chapters 10A.17 and 20.242 of the Mendocino County Code, and microbusinesses intending to cultivate adult use cannabis shall comply with the terms of at such time the County adopts~~ an Adult Use Cultivation Ordinance, when adopted by the County.

(3) Microbusinesses with on-site processing, distribution, wholesale, and/or retail sales or dispensing of its products shall comply with all applicable sections of this Chapter.

~~(3)~~(4) Microbusinesses proposed in the General Commercial (C2) zoning district must demonstrate that that the retail component of the Microbusiness is the primary use shall be the primary use and other uses are incidental and subordinate to the retail component.

20.243.50 General Limitations on Medical and Adult Use Cannabis Facilities.

- (A) The Applicant must have authorization as a qualified patient or as a primary caregiver to process, manufacture, test, dispense, or distribute, medical cannabis for medical use. This provision shall sunset consistent with the operative date of applicable provisions of MAUCRSA.
- (B) All cannabis facilities shall comply with all applicable regulations of in the Mendocino County Code, the California Department of Consumer Affairs, California Department of Public Health, and the MAUCRSA.
- (C) The processing, manufacturing, testing, dispensing, retail sales, and distributing of cannabis for medical and adult use in Mendocino County, shall not be allowed within six hundred (600) foot radius of a school providing instructions in kindergarten or any grades 1 through 12, day care center, park, church, residential treatment facility, youth-oriented facility or youth center that is in existence at the time the zoning clearance or permit is issued, unless the state licensing authority specifies a different distance. The distance between the above-listed uses and medical or adult use cannabis that is being processed, manufactured, tested, dispensed, retailed or distributed shall be measured in a straight line from the nearest point of the medical cannabis facility to the nearest boundary line of the property on which the facility, building, or structure, or portion of the facility, building, or structure in which the above-listed use occurs is located.

- (D) All structures associated with permitted medical and adult use cannabis facilities shall comply with the setbacks established by the zoning district in which the medical or adult use cannabis facility site is located.
- (E) All cannabis facilities shall be located in a permanent building in conformance with the Mendocino County Building Code for a commercial or industrial building, as applicable, and shall not be located in a dwelling unit, recreational vehicle, cargo container, motor vehicle or other similar personal property.
- (F) The processing, manufacturing, testing, dispensing, retailing, and distributing of medical and adult use cannabis is not permitted within any habitable space (i.e., kitchen, bedroom, bathroom, living room or hallway) of a dwelling unit nor is it permitted within any required parking space, except as otherwise allowed in this chapter.
- (G) Cannabis facilities proposed in Industrial zoning districts shall be subject to the provisions of Development Review pursuant to Chapter 20.188, as applicable.
- (H) Medical and adult use cannabis facilities shall implement the following security measures:
 - (1) Sufficient security measures to both deter and prevent unauthorized entrance into areas containing ~~medical~~ cannabis or ~~medical~~ cannabis products and theft of ~~medical~~ cannabis or ~~medical~~ cannabis products.
 - (2) Security measures to prevent individuals from remaining on the premises of the facility if they are not engaging in activity expressly related to the operations of the facility.
 - (3) Establishing limited access areas accessible only to authorized personnel.
 - (4) Storing all ~~medical or adult use~~ cannabis and ~~medical or adult use~~ cannabis products in a secured and locked room, safe, or vault and in a manner sufficient to prevent diversion, theft, and loss.
 - (5) Diversion, theft, loss or any criminal activity involving the facility or any other breach of security must be reported to law enforcement.
- (I) Medical and adult use cannabis remnants, infused products, bi-products, and other waste material shall be disposed of in a safe, sanitary, and secure manner. Any portion of the medical and adult use cannabis remnants, products or bi-products being disposed of will be rendered unusable before disposal, will be protected from being possessed or ingested by any person or animal, and shall not be placed within the facility's exterior refuse containers.
- (J) Signage associated with permitted medical and adult use cannabis facilities shall meet the applicable requirements set forth in the Mendocino County Zoning Code ~~Chapter 20.184, Sign Regulations, for signage~~ and other applicable State regulations.

20.243.060 Permit Types and Zoning Districts.

All medical and adult use cannabis facilities shall be permitted in accordance with this Section. All new medical and adult use cannabis facilities shall obtain approval from other State and Local agencies with permitting jurisdiction. Medical and adult use cannabis facilities may be allowed with an approved Zoning Clearance, Administrative Permit, Minor Use Permit, or Major Use Permit as required for the zoning district in which the medical or adult use cannabis facility is located as listed in Table 1, below:

Table 1								
Permit Requirements for Processing, Manufacturing, Testing, Delivery, Retailers, Distribution, and Microbusiness								
by Zoning District and Cannabis Facilities Code Permit Type								
			6-A and 6-M	7-A and 7-M	8-A and 8-M	10-M and 10-A	11-A and 11-M	12-A
		Processing	Manufacturing Level 1 (Non-volatile)	Manufacturing Level 2 (Volatile)	Testing	Retail/ Dispensary	Distribution	Microbusiness*
Zoning District	RR 2	ill—	ill—	ill—	ill—	ill—	ill—	ill—
	RR 5	—	—	—	—	—	—	ill—
	RR 10	—	—	—	—	—	—	ill—
	R3	—	—	—	—	—	—	ill—
	RC	MUP	MUP	UP	UP	UP	UP	UP
	SR	—	—	—	—	—	—	ill—
	AG	UP	—	—	—	—	UP—	ill—
	UR	—	—	—	—	—	—	ill—
	RL	UP	—	—	—	—	UP—	ill—
	FL	UP	—	—	—	—	UP—	ill—
	TPZ	—	—	—	—	—	—	ill—
	C1	—	—	—	—	ZC	—	ill—
	C2	—	—	—	ZC	ZC	MUP	AP
	I1	ZC	ZC	UP	ZC	UP	ZC	UP
	I2	ZC	ZC	UP	ZC	UP	ZC	UP
	PI	ZC	ZC	UP	ZC	UP	ZC	UP
—=Not Allowed, ZC= Zoning Clearance, AP = Administrative Permit, UP = Minor Use Permit, MUP = Major Use Permit								
* Microbusiness engaged in cultivation shall be allowed at such time the County adopts an Adult Use Cultivation Ordinance and State Licenses are available.								

Comment [MW1]: Processing and Distribution go together. Once a business processes, it most likely will be loading packaged cannabis on a truck for distribution throughout the state.

20.243.070 Exceptions

(A) Existing packing and processing facilities. Establishment of new cannabis facilities may be considered with an ~~an Major Administrative~~ Use Permit in FL, AG, or RL Districts, and in any other zoning district where such facilities exist subject to compliance with the County's existing nonconforming use requirements in Chapter 20.204, consistent with Section 20.243. ~~440 090~~ *Planning Approval Required to Process, Manufacture, Test, Dispense, Retail, and Distribute, Cannabis for Medical and Adult Use*, where all of the following can be demonstrated:

- (1) The site has been previously permitted as a packing and processing facility prior to the effective date of these regulations.
- (2) The site is developed with an existing packing and processing facility, including buildings, roads, power source, water source, and sewage disposal system.
- (3) There will be no net expansion of impervious surfaces. ~~(4) There will be no new access roads or stream crossings.~~ ~~(5)(4)~~ No trees shall be unlawfully removed.

~~(6)(5) The site is not within lands contracted under the Williamson Act.~~

If all of the above are true, substantial improvements to existing facilities and systems would be acceptable, subject to use permit conditions of approval and subject to the making of findings consistent with those found in Chapter 20.204, as applicable.

(B) Business offices for medical or adult use cannabis at which no cultivation, processing, storage, handling, or distribution of cannabis in any form occurs shall be allowed in any zone in which business offices are allowed. Business offices that are clearly incidental and secondary to the use of the premises for residential purposes where cannabis cultivation or manufacturing may occur are subject to the provisions of Mendocino County Code Chapter 20.156 *Home Occupations*. Medical and adult use cannabis business offices shall be subject to all the regulations and standards applicable to business offices in the Mendocino County Code.

20.243.080 Temporary Permit

(A) All applicants for medical or adult use cannabis facilities discussed in this chapter and following the processed described in 20.243.100 are entitled to request a temporary permit to enable timely entrance to the regulated cannabis market. Temporary permits shall be considered by Planning and Building services and shall be judged on the following conditions:

- 1) The application filed is an Administrative Permit or Minor Use Permit;
 - a) The property meets the zoning requirements in 20.243.060 Table 1; or
 - b) The project meets conditions described in 20.243.070A(1)-(5)
- 2) The application is deemed complete by Planning and Building services

(B) Within thirty days after the Applicant has submitted a complete application, the Applicant must sign an agreement to satisfy 20.243.050 and all California Building Code and Mendocino County Building Code requirements as found by Planning and Building Services as applicable to the subject property and project.

Comment [MW2]: The Planning and Building Commission determined that either an Administrative, Minor Use, or Major Use permit was acceptable in this section per its Resolution on September 7th. To actually provide benefit, and not duplicate the standard process on Table 1 an Administrative Use Permit is appropriate. County staff will maintain the ability to apply findings and conditions to an Administrative Use Permit.

Comment [MW3]: Very similar to Compliance Plan (Mendocino County Code section 10A.17.100)

20.243.090 Provisional Continued Operation.

All medical cannabis ~~facilities-retailers/dispensaries~~ operating with an approved business license prior to the effective date of these regulations, ~~that are allowed with an approved Zoning Clearance, Administrative Permit, Minor Use Permit, or Major Use Permit as required for the zoning district in which the medical or adult use cannabis facility is located (per Table 1)~~ are eligible to continue operations ~~without obtaining any additional permit which may be required by this Chapter, but shall comply with the requirements listed in sections 20.243.040 and 20.243.050, except for paragraph (C) of section 20.243.050, and any requirements of State law. . on a provisional basis in a manner consistent with the requirements of this Chapter until such time as the permit application has been processed and the hearing body approves or denies the project.~~

20.243.100 Planning Approval Required for Processing, Manufacturing, Testing, Retail/ Dispensary, Retail sales, and Distribution Facilities for Medical and Adult Use Cannabis.

- (A) Planning Approval Procedure. Each medical or adult use cannabis facility site is subject to one of the following planning procedures that correspond to the applicable zoning district, as specified by Table 1 of this Chapter. Planning and Building shall review the application in accordance with the applicable planning approval process.
- (1) Zoning Clearance. Planning and Building Services and the Department of Environmental Health shall review projects for compliance with applicable local regulations.
 - (2) Administrative Permits. In accordance with the Administrative Permit review procedure listed in Chapter 20.192, the Zoning Administrator shall approve, conditionally approve or deny an Administrative Permit for a medical or adult use cannabis facility based on the following special findings:
 - (1) The medical or adult use cannabis facility site is allowed in the zoning district and is in compliance with the provisions of this Chapter and Chapter 10A.17 *Medical Cannabis Cultivation Ordinance*, as applicable.
 - (2) The medical or adult use cannabis facility will avoid or minimize odor and light impact on residential uses.
 - (3) Minor Use Permits. In accordance with the Use Permit review procedure listed in Chapter 20.196, the Zoning Administrator or the Planning Commission shall approve, conditionally approve, or deny a Minor Use Permit for a medical cannabis facility based on findings in Sections 20.196.020 and 20.196.030.
 - 1) The medical or adult use cannabis facility site is allowed in the zoning district and is in compliance with the provisions of this Chapter and Chapter 10A.17 *Medical Cannabis Cultivation Ordinance*, as applicable.
 - 2) The medical or adult use cannabis facility will avoid or minimize odor and light impact on residential uses.
 - (4) Major Use Permits. In accordance with the Use Permit review procedure listed in Chapter 20.196, the Zoning Administrator or the Planning Commission shall approve, conditionally approve, or deny a Major Use Permit for a medical cannabis cultivation site based on findings in Sections 20.196.020 and 20.196.030.

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- (1) The medical or adult use cannabis facility site is allowed in the zoning district and it is in compliance with the provisions of this Chapter and Chapter 10A.17 *Medical Cannabis Cultivation Ordinance*, as applicable.
- (2) The medical or adult use cannabis facility will avoid or minimize odor and light impact on residential uses.
- (B) The County shall notify any State licensing authority, as defined by the MAUCRSA, as applicable, whenever the County business license, Administrative Permit or Minor or Major Use Permit has been revoked or terminated.

20.243.110 Permit Application Submittal Requirements for Administrative Permits, Use Permits and Major Use Permits for Medical and Adult Use Cannabis Facilities.

Any person or entity that wishes to engage in the processing, manufacturing, testing, dispensing, retailing, and distributing, of cannabis for medical and adult use shall submit an application to Planning

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and Building. Applications for medical or adult use cannabis facilities shall be made upon such forms and accompanied by such plans and documents as may be prescribed by Planning and Building so as to assure the fullest practical presentation of facts for the review of the application. An application fee will be due at the time the application is submitted and is non-refundable.

Applicants for a permit for a medical or adult use cannabis facility shall provide the standard application materials for Administrative Permits, Use Permits, and Major Use Permits, as applicable, and all of following information on, or as an attachment to, the application:

- (A) An operations plan which provides a description of the proposed processing, manufacturing, testing, dispensing, retailing, or distributing of medical or adult use cannabis activities including, but not limited to, permit type, size of facility or structure where business will be conducted, description of the nature of the activity, product type, average production amounts (including each product produced by type, amount, process, and rate), source of medical or adult use cannabis material product(s), estimated number of employees, hours of operation, visibility, and anticipated number of deliveries and pickups.
- (B) Planning and Building is hereby authorized to require in the permit application any other information reasonably related to the application including, but not limited to, any information necessary to discover the truth of the matters set forth in the application.

20.243.110 Permit Revocation.

An Administrative Permit or Use Permit may be revoked or modified according to the revocation or modification provisions in Mendocino County Code sections 20.192.060 and 20.192.065 or sections 20.196.055 and 20.196.060, respectively. Grounds for seeking revocation or modification include: non-compliance with one or more of the requirements listed in this Code; failure to comply with the requirements of the Mendocino County Certified Unified Program Agency (CUPA), or any of the grounds listed in code sections identified in this paragraph, as applicable, and any successor provisions.

~~20.244.120 Severability.~~

~~If any provision of this Chapter, or the application thereof, is held invalid, that invalidity shall not affect any other provision or application of this Chapter that can be given effect without the invalid provisions or application; and to this end, the provisions or application of this Section are severable.~~



September 29, 2017

To: Mendocino County Board of Supervisors

Re: October 3, 2017 Agenda Item 5g "Discussion and Possible Action to Introduce and Waive First Reading of an Ordinance Adopting Chapter 6.36 – Cannabis Facilities Businesses and Chapter 20.243 – Cannabis Facilities"

Dear Commissioners,

Flow Kana greatly appreciates the progress that has been made by the County through your direction and the efforts of the Planning and Building Commission and staff. The draft Cannabis Facilities Code scheduled for your review as item 5g on October 3, 2017 has improved significantly since it was initially heard January 27, and subsequently discussed on May 23, 2017.

However, some important but addressable issues still exist that require your attention and effort to fix. As the state moves forward aggressively to stand up the largest post-prohibition cannabis market in the world, Mendocino County and the County's residents are well positioned to benefit greatly. Yet, this opportunity is not guaranteed and can be lost if the County is unable to meet the unique timing challenges created by the size and structure of California's cannabis market. To give Mendocino County the ability to facilitate success for existing small businesses, attract investment from new businesses, and create conditions to support a future regulated cannabis tourism industry, your attention is critical. The adult-use cannabis market will be more like a rocket than a commuter train: departure occurs on January 1, 2018 and tardiness will result in a forfeiture of position.

From our perspective, the most important issues for you to address are:

- Need for a temporary permit process to meet state license timelines
- Use of an Administrative Permit Process

Temporary Permit:

On September 1st, Flow Kana submitted written comments (attached as Appendix A) to the Planning and Building Commission (the Commission) urging that they create a temporary permitting process. The Commission debated this issue on September 7, 2017 and determined in Resolution PC 2017-0006 Section 4C that the **Board of Supervisors should consider the addition of a temporary permit process to the CFC** (attached as Appendix B).

This determination was informed by the fact that the state will rely on local permitting as a prerequisite to its own temporary business licenses. Specifically, all cannabis businesses must have at least a temporary business license issued by the state to operate in 2018 and beginning in or around December of 2017 the state will accept on-line applications for such temporary state business licenses



from those businesses that possess a local “license, permit, or other authorization”.¹

As currently designed, the draft CFC has no path to a local “license, permit, or other authorization” that a business can take and still meet the state’s timeline for allocating temporary state licenses. Flow Kana believes this unique timing challenge is best approached by the Board of Supervisors and local businesses in partnership. We all share the objective of Mendocino County capturing significant market share to supply the adult-use market. Only by capturing a significant share can Mendocino’s cultivation, processing and export industry generate employment with a living wage and raise tax revenues. Businesses like Flow Kana that are committed to this objective strongly desire to meet the Commission’s standards for cannabis business licenses, but also need the support of the county to be competitive in the adult-use market come January 1, 2018.

Following the September 7, 2017 Commission meeting, Flow Kana developed and shared a proposal with the County for a Temporary Permit process. This proposal is included in Appendix C and would apply to any applicant for a non-cultivation Cannabis Business License. The process would respect the needs of the County to administer an appropriately robust review of the permit application and make relevant findings. It uses an agreement similar to the Compliance Plan (Mendocino County Code section 10A.17.100), agreeing to satisfy all state Building Code and Mendocino County Building Code requirements within a 1-year period as applicable to the subject property and project. Neighboring Lake County has a similar process for general Use Permits referred to as an “Early Activation Request”. Many of the benefits of this proposal are listed below.

	Mendocino County	Mendocino Businesses
Benefits	<ul style="list-style-type: none">• Leverage existing temporary permit process• Time provided to P&B staff to carefully review applications and make relevant findings• Avoidance of friction between P&B staff and regulated cannabis businesses• Clear timeline for property upgrades stemming from code requirements• Welcomes small business creation and lays a path to increased prosperity for cannabis-heavy communities	<ul style="list-style-type: none">• Reasonable path to authorized business activity• Ability to receive state temporary business license• Room for compliance with county P&B staff• Clarity timeframe to achieve required code upgrades

The State is committed to open the adult-use market on January 1st and clearly recognizes that to meet

¹ AB 133, Chaptered, Section 26605(e)

An applicant may voluntarily provide proof of a license, permit, or other authorization from the local jurisdiction verifying that the applicant is in compliance with the local jurisdiction. An applicant that voluntarily submits a valid, unexpired license, permit, or other authorization from the local jurisdiction shall be presumed to be in compliance with all local ordinances unless the licensing authority is notified otherwise by the local jurisdiction.



this timeframe it must use Temporary Licenses. Mendocino County can follow the state's lead and use a similar approach.

Use of an Administrative Permit Process in Section 20.243.070:

The draft CFC contains section 20.243.070 to provide an alternative path to authorized business operations for cannabis facilities in the County. Specifically, this section prioritizes² re-use and re-development of facilities that have previously been approved by the county as a Packing and Processing facility provided it can meet 5 conditions:

- 1) The site has been previously permitted as a packing and processing facility prior to the effective date of these regulations.
- 2) The site is developed with an existing packing and processing facility, including buildings, roads, power source, water source, and sewage disposal system.
- 3) There will be no net expansion of impervious surfaces.
- 4) No trees shall be unlawfully removed.
- 5) The site is not within lands contracted under the Williamson Act.

As a result of Flow Kana's September 1st comments the Commission directed staff to make a number of amendments contained in the conditions listed above, and in Resolution PC 2017-0006 Section 4E (attached as Appendix B) it specifically, delegated to the Board of Supervisors whether the County shall use an Administrative, Minor Use, or Major Use application process for facilities qualifying for the exemption. Flow Kana strongly believes that the Exception must reference use of an Administrative Permit to be effective.

To justify this, we reference Table 1 on page 8 of the draft CFC which identifies that unless located in an Industrial Zone (I1 or I2) a Major or Minor Use Permit is already required for "Processing" and "Distribution" facilities. Given the conditional nature of Section 20.243.070 and the narrow application of Exemption, Flow Kana urges the Board of Supervisors to support the re-use and re-development of the County's existing but aging commercial facilities by applying an Administrative Use Permit process here.

It is no secret that Flow Kana purchased of the Fetzer Winery and is in the process of rehabilitating it to become a centralized cannabis processing and distribution center operating much in the same way as it used to as a major winery and much like it does for the Graziano winery and Germain-Robin distillery both operating on site (see Appendix D). Use of an Administrative Use Permit process will still allow the County to apply further conditions to its Use Permit.

² ² The General Plan Consistency Analysis included in the packet for the September 7th Planning and Building Commission meeting identifies the General Plan's priorities related to the draft CFC on page 5. Policy DE-62 identifies "Reuse or redevelopment of closed resource-based processing sites in rural areas" as a priority to support through the CFC. Businesses choosing to redevelop older facilities or build new facilities need confidence that the County will support a redevelopment approach. Support in the form of simplified approval is an appropriate no-cost approach.



Flow Kana appreciates the careful and thorough consideration of our comments by the Board of Supervisors. We strive to consider the issues we bring before the County through the perspective of the Board as stewards of the County's resources and in promotion of actions that are in the county's best interest. In return, we hope that in this very rare opportunity for the County that the perspective of business is also considered.

With respect,

Michael Wheeler

Vice President of Policy Initiatives

APPENDIX A

Comments to Mendocino Planning and Building Commission

September 1, 2017

September 1, 2017

To: Mendocino Planning Commission

From: Flow Kana

RE: Draft Cannabis Facilities Code

Dear Commissioners,

Flow Kana is pleased to participate in providing public comment regarding the Planning and Building Commission's consideration of OA_2017-0001, the Cannabis Facilities Code (CFC). The attached proposal offers necessary amendments to the language in CFC Section 20.243.070 "Exceptions". The proposed amendments are critical if the County desires to have a cannabis cultivation, processing and export industry that generates employment with a living wage and raises tax revenue.

Specifically, the language in Section 20.243.070 must accomplish three objectives:

- Grant a business a license to provisionally operate while the business' complete Application is under consideration if the business is located at the same site as a facility that has previously been permitted for similar activities such as Packing and Processing (Section Sec. 20.032.040 of Business and Professional Code).
- Direct efficient approval of the provisional activity with an over the counter process. Provisional operation would be temporary and may be interrupted if the applicant fails to receive full approval of its Application.
- Direct efficient review of the Application through a zoning clearance.

Flow Kana would like the Planning and Building Commission to be aware that the State's official cannabis licensing effort will be begin by providing temporary licenses in December of 2017 to those businesses that have received their local license. Skyrocketing demand for legal cannabis through the Adult-Use market at the beginning of 2018 will drive retailers and manufacturers to sign supply contracts with providers who have received their state license in December. A path to receiving a County business license before December for new cannabis facilities is therefore critical³.

As the state moves forward aggressively to stand up the largest post-prohibition cannabis market in the world, Mendocino County and the County's residents are well positioned to benefit greatly. Yet, this opportunity is not guaranteed and can be lost if the County is unable to meet the unique timing challenges created by the size and structure of California's cannabis market.

With respect,

Michael Wheeler, Vice President of Policy Initiatives

Attached: Proposed amendments to CFC Section 20.243.070

³ Missing the window to sign supply contracts will significantly reduce the market share Mendocino cannabis can capture and reduce the potential for increased prosperity that could otherwise result.

20.243.160 Exceptions

(A) Existing packing and processing facilities or facilities of similar use. Establishment of new medical or adult use cannabis facilities may be considered and preliminarily operate with a Major Use Permit [Zoning Clearance or Administrative Permit] in FL, AG, C1, C2, or RL Districts consistent with Section 20.243.100 *Planning Approval Required to Process, Manufacture, Test, Dispense, Retail, and Distribute, Cannabis for Medical and Adult Use*, where all of the following can be demonstrated:

- (1) The site has been previously permitted as a packing and processing facility prior to the effective date of these regulations.
- (2) The site is developed with an existing packing and processing facility, including buildings, roads, power source, water source, and sewage disposal system.
- (3) There will be no net expansion of impervious surfaces.
- (4) There will be no new access roads or stream crossings on that parcel.
- (5) No living trees larger than 12' in diameter shall be unlawfully removed.
- (6) The site is not within lands contracted under the Williamson Act.

Justifications:

A. The General Plan Consistency Analysis included in the Board Packet for the September 7th Planning and Building Commission meeting identifies the General Plan's priorities related to the draft CFC on page 5. Policy DE-62 identifies "Reuse or redevelopment of closed resource-based processing sites in rural areas" as a priority to support through the CFC. Businesses choosing to redevelop older facilities or build new facilities need confidence that the County will support a redevelopment approach. Support in the form of simplified approval is an appropriate no-cost approach.

Preliminary operation while Applications are under review is a necessary form of flexibility already featured in the CFC within Section 20.243.080 Provisional Operation (p. 13). To meet the business priorities that will lead to Mendocino County's cannabis related improved prosperity the County can extend the same flexibility here to businesses that have sited their cannabis businesses at sites previously permitted for similar uses.

1. No amendments proposed
2. No amendments proposed
3. Expansion of impervious surfaces is not supported by CEQA. However, removal of impervious surfaces should enable property improvements that support business growth so long as they result in no net increase in impervious surfaces.
4. Clarification is needed where ownership of more than one parcel may exist and where the exception language is only applied to the parcel that has the previously been permitted in a similar manner.
5. Tree removal requires adherence to a lawful process. Dead trees and living trees smaller than 12" in diameter should be able to be removed within the boundaries of existing law.

APPENDIX B:
Resolution Number
PC_2017 0006

Resolution Number PC_2017-
0006

County of
Mendocino
Ukiah, California
September 7,
2017

OA_2017-0001

RESOLUTION OF THE PLANNING COMMISSION, COUNTY OF MENDOCINO, STATE OF CALIFORNIA, MAKING ITS REPORT AND RECOMMENDATION TO THE MENDOCINO COUNTY BOARD OF SUPERVISORS REGARDING PROPOSED AMENDMENT TO THE MENDOCINO COUNTY CODE TO ADD CHAPTER 20.243 MEDICAL AND ADULT USE CANNABIS FACILITIES OF THE MENDOCINO COUNTY INLAND ZONING ORDINANCE.

WHEREAS, the County of Mendocino desires to regulate cannabis facilities within the inland areas of the unincorporated areas of Mendocino County in a manner consistent with State law.

WHEREAS, County staff has, under the direction of the Board of Supervisors of Mendocino County, prepared a draft regulation in the form of a proposed new chapter of the Mendocino County Code: Chapter 20.243 - Medical and Adult Use Cannabis Facilities of the Mendocino County Inland Zoning Ordinance,

WHEREAS, it has been determined that the project is exempt from CEQA pursuant to CEQA Guidelines (Title 14, California Code of Regulations, Section 15000 *et seq.*) Section 15061(b)(3) in accordance with the California Environmental Quality Act (Public Resources Code section 21000 *et seq.*; "CEQA") and the State and County CEQA Guidelines; and

WHEREAS, in accordance with applicable provisions of law, the Planning Commission held a public hearing on September 7, 2017, to solicit public comments on the proposed Chapter, at which time the Planning Commission heard and received all relevant testimony and evidence presented orally or in writing regarding the proposed Chapter. All interested persons were given an opportunity to hear and be heard; and

WHEREAS, pursuant to Government Code section 65850 *et seq.*, the Planning Commission is to provide its report and recommendation to the Board of Supervisors on ordinances related to land-use regulation; and

WHEREAS, the Planning Commission has had an opportunity to review this Resolution and

finds that it accurately sets for the intentions of the Planning Commission regarding the CEQA Exemption.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission, based on the evidence in the record before it and the findings and determinations provided in the staff report, makes the following report and recommendation to the Mendocino County Board of Supervisors regarding Ordinance Amendment OA-2017-0001 and the CEQA exemption related thereto:

1. The Planning Commission recommends that the Board of Supervisors consider the adoption of Ordinance Amendment OA-2017 -0001 exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3).

2. The Planning Commission recommends that the Board of Supervisors find that the adoption of Ordinance Amendment OA-2017-0001 consistent with the General Plan.

3. The Planning Commission recommends that the Board of Supervisors consider the adoption of Ordinance Amendment OA-2017-0001 in the form attached to this resolution as Exhibit A, with the following recommended changes:

- A Section 20.243.070, subdivision (A) be revised so that the reference to Section 20:243.110 shall be changed to Section 20.243,090.

B. The definition of "volatile solvent" in section 20.243.030 be revised to delete the second sentence "Examples of volatile solvents include but are not limited to, butane, hexane, propane, and ethanol."

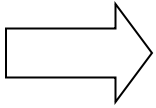
C. Section 20.243.060 be revised so that (i) Processing permits be allowed in the AG, RL and FL zoning districts with a minor use permit; (ii) Manufacturing level 2 permits be allowed in the RC, 11, 12 and PI zoning districts with a minor use permit; (iii) Dispensing and Retail permits be allowed in the C1 and C2 zoning districts with a zoning clearance; and (iv) add performance standards to the administrative permit required for the C2 zoning district for Microbusiness permits so that the retail use is the primary use and other uses are incidental and subordinate.

D. Section 20.243.040(A)(2) be revised to read as follows:

"Processing facilities for cannabis grown on site pursuant to a permitted cultivation operation shall be allowed as an accessory use in all zones where cultivation is permitted pursuant to Chapter 10A.17 *Medical Cannabis Cultivation Ordinance*."

E. Section 20.243.110 be revised to include a definition/description of the Mendocino County Certified Unified Program Agency.

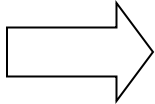
F. Section 20.243.040(E)(2)(b) be revised to add statutory or regulatory citations for the phrase "existing smoking ordinances."



1. The Planning Commission further recommends that the Board of Supervisors consider the following additional issues related to Ordinance Amendment OA-2017-0001:

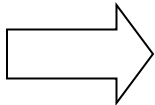
A That Chapter 20.243 be reviewed for compatibility with state statutes revised by Senate Bill 94 ("MAUCRSA").

B. That Chapter 20.243 be reviewed for compatibility with statutes and regulations regarding home kitchens.



C. That a temporary permit or authorization process be added to Chapter 20.243.

D. Whether edible cannabis products may be produced at a home manufacturing facility.



E. Section 20.243.070 be revised to (i) allow the use of such facilities with one of the following types of -permits, administrative permit, minor use permit or major use permit; -(ii) modify paragraph (a)(3) to read "there will be no net expansion of impervious surfaces"; (iii) delete paragraph (a)(4); (iv) modify paragraph (a)(5) to read that "no trees shall be unlawfully removed"; and (v) consider allowing such facilities in any zoning district subject to compliance with the County's existing nonconforming use requirements in Chapter 20.204.

F. Section 20.243.080 to be revised to clarify that existing cannabis facilities with an approved business license would not be required to obtain a new permit pursuant to the Zoning Code.

-I hereby certify that according to the Provisions of Government Code Section 25103 delivery of this document has been made.

ATTEST: VICTORIA DAVIS
Commission Services Supervisor

By: _____

BY: IGNACIO GONZALEZ
Interim Director

MADELIN HOLTkamp, Chair
Mendocino County Planning Commission

APPENDIX C

Proposed Process for County Staff Review of CFC Applications for Cannabis Facilities

Proposed Process for Temporary Permits for Cannabis Facilities

Objective:

- a) To provide cannabis facilities applying to do business in Mendocino County with proof of authorization to operate, prior to December 2017, for the purpose of receiving temporary state licensure

Proposed Process for County Staff Review of CFC Applications for Cannabis Facilities via an Administrative Permit or Minor Use Permit Process

It is proposed that CFC applications are reviewed by staff as follows:

- 1) Application filed for Administrative Permit⁴ or Minor Use Permit;
- 2) Building & Planning Dept. (B&P) makes an initial review of the application and if it finds:
 - a) The property meets the zoning requirements per CFC described on Table 1; **or**
 - b) The project falls within sec. 20.243.070A(1)-(5), then
- 3) A temporary permit will be issued, wherein the temporary permit is subject to:
 - a) The applicant successfully meeting all CFC requirements and all requirements for an administrative permit or minor use permit, as applicable, within permissible time limits;
 - b) If the applicant withdraws their application, the temporary permit is canceled;
- 4) Within thirty days after the Applicant has submitted a complete application, the Applicant signs an agreement similar to Compliance Plan (Mendocino County Code section 10A.17.100), agreeing to meet within a year all CA Building Code and Mendocino County Building Code requirements as applicable to the subject property and project.

While Flow Kana imagines that this proposal could be employed with any proposed facility in a zone requiring a Minor Use Permit or Administrative Use Permit, it could also be applied in a more restricted manner to just facilities that satisfy the 5 conditions of the draft CFC's Exception language.

[For ease of reference draft CFC as adopted by P&B Commission on 9/7/2017 follows]

⁴ Title 20 - Zoning Ordinance, Division 1 - Mendocino County Zoning Code,
Sec. 20.008.020 - Definitions

"Administrative Permit" means a permit granted pursuant to Chapter 20.192 by an agency of Mendocino County or the Zoning Administrator for a use of a temporary nature, a second residential unit, or farm employee housing.
(emphasis added)

Table 1 on page 8 of draft CFC to be considered October 3, 2017

Table 1								
Permit Requirements for Processing, Manufacturing, Testing, Delivery, Retailers, Distribution, and Microbusiness								
by Zoning District and Cannabis Facilities Code Permit Type								
			6-A and 6-M	7-A and 7-M	8-A and 8-M	10-M and 10-A	11-A and 11-M	12-A
		Processing	Manufacturing Level 1 (Non-volatile)	Manufacturing Level 2 (Volatile)	Testing	Retail/ Dispensary	Distribution	Microbusiness*
Zoning District	RR 2	—	—	—	—	—	—	—
	RR 5	—	—	—	—	—	—	—
	RR 10	—	—	—	—	—	—	—
	R3	—	—	—	—	—	—	—
	RC	MUP	MUP	UP	UP	UP	UP	UP
	SR	—	—	—	—	—	—	—
	AG	UP	—	—	—	—	—	—
	UR	—	—	—	—	—	—	—
	RL	UP	—	—	—	—	—	—
	FL	UP	—	—	—	—	—	—
	TPZ	—	—	—	—	—	—	—
	C1	—	—	—	—	ZC	—	—
	C2	—	—	—	ZC	ZC	MUP	AP
	I1	ZC	ZC	UP	ZC	UP	ZC	UP
	I2	ZC	ZC	UP	ZC	UP	ZC	UP
	PI	ZC	ZC	UP	ZC	UP	ZC	UP
—=Not Allowed, ZC= Zoning Clearance, AP = Administrative Permit, UP = Minor Use Permit, MUP = Major Use Permit								
* Microbusiness engaged in cultivation shall be allowed at such time the County adopts an Adult Use Cultivation Ordinance and State Licenses are available.								

20.243.070 Exceptions

(A) Existing packing and processing facilities. Establishment of new cannabis facilities may be considered with a Major Use Permit in FL, AG, or RL Districts, and in any other zoning district where such facilities exist subject to compliance with the County's existing nonconforming use requirements in Chapter 20.204, consistent with Section 20.243.110 090 *Planning Approval Required to Process, Manufacture, Test, Dispense, Retail, and Distribute, Cannabis for Medical and Adult Use*, where all of the following can be demonstrated:

(1) The site has been previously permitted as a packing and processing facility prior to the effective date of these regulations.

(2) The site is developed with an existing packing and processing facility, including buildings, roads, power source, water source, and sewage disposal system.

(3) There will be no net expansion of impervious surfaces.

(4) There will be no new access roads or stream crossings.

(4) No trees shall be unlawfully removed.

(5) The site is not within lands contracted under the Williamson Act.

If all of the above are true, substantial improvements to existing facilities and systems would be acceptable, subject to use permit conditions of approval and subject to the making of findings consistent with those found in Chapter 20.204, as applicable.

APPENDIX D:

Comparison of Historical Commercial Activities On Former Fetzer Winery with Future Cannabis Activities

Flow Kana's "Flow Cannabis Institute" at the old Fetzer Winery on land zoned Rangeland (RL)

Historical activities:

Wine grape processing (current activity)	Wine storage and distribution	Distillation (current activity)	Quality control	Tasting room, product sampling, sales
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Alignment with future cannabis industry activities, as defined by Mendocino County's draft Cannabis Ordinance:

Cannabis processing (from 100+ small farmers)	Cannabis product storage and distribution	Manufacturing of cannabis extracts	Lab Testing	Craft cannabis education, tasting, and retail sales
"Processing Facility" means a location or facility where medical or adult use cannabis is dried, cured, graded, trimmed, and/or packaged by or under the control of one or more licensed cultivators, at a location separate from the cultivation site where the medical or adult use cannabis is grown and harvested.	"Distribution Facility" means the location or a facility where a person licensed with a Type-11 or Type 11-NM license pursuant to [MAUCRSA], respectively, conducts the business of procuring cannabis from licensed cultivators or manufacturers for sale to licensed dispensaries or retailers, and the inspection, quality assurance, batch testing by a Type 8 or Type 8-NM licensee, storage, labeling, packaging and other processes prior to transport to licensed dispensaries.	"Manufacturing site or manufacturing facility" means a location that produces, prepares, propagates, or compounds manufactured medical or adult use cannabis or medical or adult use cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a licensee for these activities. Manufacturing includes level 1 (non-volatile) and level 2 (volatile solvents).	"Testing Laboratory" means a facility, entity, or site in the state that offers or performs testing of medical [and adult use] cannabis or cannabis products and that is both of the following: (A) Accredited by an accrediting body that is independent from all other persons involved in the medical [and adult use] cannabis industry in the state; and (B) Registered with the California State Department of Public Health.	"Retailer" means the retail sale and delivery of cannabis or cannabis products to customers. On-site consumption of adult use cannabis is permitted in outdoor areas, such as patios or decks, is allowed and shall adhere to existing smoking ordinances.

