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## SUPPLEMENTAL MEMORANDUM

DATE: May 22, 2018

TO: **BOARD OF SUPERVISORS** 

FROM: MARY LYNN HUNT, CHIEF PLANNER

MATTHEW KIEDROWSKI, DEPUTY COUNTY COUNSEL

SUBJECT: OA 2018-0005- AMENDMENT TO THE MENDOCINO COUNTY CODE

CHAPTER 6.36 CANNABIS FACILITES BUSINESSES AND CHAPTER 20.243

CANNABIS FACILITIES

This ordinance amendment was originally scheduled for public hearing at the May 8, 2018 Board of Supervisors meeting. At the Board of Supervisors meeting of May 8, 2018 it was determined that proper legal notice had not been published to hear this ordinance amendment as a Noticed Public Hearing Item that day. The Board did however have discussion and took public comment on the item, and provided direction to staff.

Staff has made revisions to the proposed ordinance as outlined below, and the redline and clean versions of the ordinance attached to this agenda packet include changes as outlined below.

Please see the agenda summary for the recommended motion.

## **Board Direction**

On May 8, the Board gave further direction to staff on the following items:

MCC Section 6.36.150(D) Temporary Cannabis Facility Business Licenses (CFBL) Extension of Time. The Board directed staff to extend the deadline for the issuance of a temporary license to December 31, 2018. This change is now part of the proposed ordinance amendments.

MCC Section 6.36.020 - Requirement for Cannabis Facility Business License and Section 20.243.050 -General Limitations on Medical and Adult Use Cannabis Facilities. The Board gave direction for a reduction in the facility setback requirements from sensitive receptors to reflect the following:

Reduce setback from 1,000 feet to 600 feet for Processing, Manufacturing Level 1, Testing, Distribution, Retail/Dispensary and Microbusinesses without cultivation. The 1,000 foot setback requirement will still apply to Manufacturing Level 2 and Microbusiness with cultivation.

Both sections 6.36.020 and 20.243.050 state the County's setback requirement from sensitive receptors. Both sections have been revised to reflect the direction of the Board.

## **Additional Proposed Changes**

In preparing the agenda packet following the May 8 meeting, staff is proposing changes regarding the following items:

MCC Section 20.243.040(E) - Distribution Facilities. In addition to the above items directed by the Board

on May 8, staff reviewed the language proposed to be added in paragraph (E)(3). This language had read:

A distribution facility shall be a commercial use type, provided, however, that a location engaging in operations limited to Distributor Transport Only or Self-Distribution, where the location is limited to distributing cannabis or cannabis products grown or manufactured by the CFBL Holder may be considered an accessory use to other CFBL types on that site.

The County typically views distribution of one's own crop or product as an accessory use to the cultivation of that crop or the manufacturing of that product. The intent of the above language was to clarify that in the context of cannabis cultivation and manufacturing, the distribution of one's own crop or product is allowed in any zoning district. However, based on the state regulations, the distribution types listed would not include distribution to a retailer. Staff is now proposing the following language in paragraph (E)(3) (with revisions shown in redline from the above text):

A distribution facility shall be a commercial use type, provided, however, that a distribution CFBL may be issued for a location in any zoning district as an accessory use to cultivation or other CFBL types at that location, but the distribution CFBL shall be limited to the distribution of cannabis cultivated at that location, cannabis processed at that location, cannabis products manufactured at that location, or, for a retailer/dispensary, the distribution of cannabis or cannabis products to be sold at that location.

The primary concern for staff in regards to distribution is that distribution facilities in the context of zoning, with vehicle fleets and storage areas, are not an allowed use in most zoning districts. The above language attempts to provide cultivators and cannabis facilities the ability to engage in distribution as it relates to their own business, while adhering to established zoning code limitations for distribution facilities that are primarily engaged in distributing products for other businesses.

Corresponding changes were made to paragraph (F)(8) regarding distribution as part of a microbusiness, and to the notes following Table 1 in section 20.243.060

MCC Section 20.243.050 – General Limitations on Cannabis Facilities. Staff has also deleted the word "of" in paragraph (A). The word was a typographical error.

## **ATTACHMENTS:**

- 1. Staff Report Prepared for May 8, 2018 Board of Supervisors Meeting
- 2. OA\_2018-0005 Planning Commission Resolution
- 3. OA 2018-0005 Planning Commission Staff Report
- 4. OA 2018-0005 Ordinance Redline Version
- 5. OA\_2018-0005 Ordinance Final Version