



City Manager's Report
January 8, 2019 City Council Meeting
Prepared By: Pierre Rivas, Development Services Director

Item#: 11.1

Subject: Introduce and waive the first Reading of an ordinance amending Title 10 (Zoning Ordinance) adding Section 10-5-28 *Cannabis Business Overlay Zone* to Chapter 5 *General Regulations* to allow and regulate the establishment of commercial cannabis business activities; and amending the Placerville Zoning Map adding the Cannabis Business Overlay Zone to select parcels as shown in Exhibit A (West Map) and Exhibit B (East Map) of Attachment 1 as recommended by the Planning Commission (File # ZC 2018-01).

Purpose: The purpose of this proposed ordinance is to allow for implementation of the City's recently adopted *Cannabis Business Regulation* ordinance and further regulate the location of such business activity within specified commercial zone districts within City limits.

Discussion: On October 9, 2018, the City Council adopted Ordinance 1693 repealing Title 5 (Business Regulations), Chapter 25, and Title 10 (Zoning Ordinance), Chapter 10, Sections 1 through 5 of the Placerville Municipal Code; and adding Title 5 (Business Regulations) Chapter 28.

The referenced repealed City Codes previously prohibited the cultivation, distribution and dispensing of medical marijuana in the City and prohibited medical marijuana dispensaries from locating in the City (Ord. 1677, 12-8-2015).

The adoption of Title 5, Chapter 28 regulates commercial cannabis business activities including the cultivation, manufacture, processing, laboratory testing, transportation, dispensing, distribution, or sale of cannabis or cannabis products with a valid commercial cannabis business permit and Business License from the City and a valid State of California Seller's Permit. Section 5.28.250 (Location and Design of Cannabis Businesses) requires that a permitted cannabis business be located in specified commercial zones and that minimum distances be maintained from specified "sensitive" uses as defined in the California Business & Professions Code (Section 26054(b)) and the California Health & Safety Code (Section 11362.768). On November 13, 2018 the City Council adopted Resolution No. 8677 which limited the number of cannabis retailers to no more than three (3) and the number of testing laboratories to no more than three (3).

The City Council convened a Committee ("Cannabis Regulating Committee") that prepared a draft Cannabis Business Overlay Zone Map (dated October 2, 2018) meeting zoning and meeting the required location distance of 250 feet from sensitive uses criteria for consideration by the Planning Commission for recommendation to the City Council. These "sensitive" uses included public and private schools, parks, churches, child day care facilities, and youth centers. The Cannabis Business Overlay Zone was only applied to select parcels zoned Commercial or Highway Commercial generally fronting Placerville Drive, Green Valley Road, Pierroz Road, Cold Springs Road, Middletown Road, upper Main Street (east of Cedar Ravine), and Broadway (west of Schnell School Road).

Staff recommended modifications to the Cannabis Overlay Zone maps as originally prepared by the Cannabis Regulating Committee for consideration by the Planning Commission. These changes included removing those parcels which lacked road frontage and the addition of one parcel (APN 323-580-19 / 696 Placerville Drive) which was assigned an incorrect zoning on a base map (multi-family as opposed to commercial). Staff also removed parcels owned by the City (next to the Public Safety Building), the State (DMV), Caltrans (Placerville Maintenance Station on Blairs Lane), and the PG&E Substation (Blairs Lane).

In addition, staff prepared a draft “Cannabis Business Overlay Zone District” adding Section 10-5-25, Cannabis Business Overlay Zone (CBO), to Chapter 5 Zone Regulations of the Zoning Ordinance. This was also considered by the Planning Commission for recommendation to the City Council.

On December 4, 2018 the Planning Commission considered both the Cannabis Business Overlay Zone text amendment and the draft maps (with the staff recommended modifications), and forwarded a recommendation to the Council for approval. The Commission approved the text and the maps as recommended by staff without modification.

Staff is recommending that the City Council approve the Ordinance which includes the text amendments and zoning map amendments as recommended by the Planning Commission.

Environmental Review: This ordinance and zoning map amendment is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) because the project is covered by the general rule that CEQA applies only to projects that may cause a significant effect on the physical environment and that the permitting of commercial cannabis businesses in the selected commercial zones are similar in nature to those commercial activities currently allowed by-right Commercial (C) and Highway Commercial (HWC) Zone Districts; which include retail sales and service, eating and drinking establishments, restaurants, grocery stores, pharmacies, compounding pharmacies, bakeries, micro breweries, etc

Options:

1. Introduce and waive the first Reading of the Ordinance as recommended.
2. Make amendments to the Ordinance and adopt if minor.
3. Direct staff to revise the Ordinance and bring back to the Council for further consideration.
4. Do not approve the Ordinance at this time and provide additional direction to staff.

Cost: There is only a minimal cost at this time associated with preparing the ordinance. Any costs associated with processing cannabis business permit applications are anticipated to be covered by the application fees.

Budget Impact: None. Any budget impacts will be discussed at the mid-year budget review if necessary following the beginning of the application process.

Recommendation:

Introduce and waive the first Reading of an Ordinance amending Title 10 (Zoning Ordinance) adding Section 10-5-28 *Cannabis Business Overlay Zone* to Chapter 5 *General Regulations* to allow and regulate the establishment of commercial cannabis business activities; and amending the Placerville Zoning Map adding the Cannabis Business Overlay Zone to select parcels as shown in Exhibit A (West Map) and

Exhibit B (East Map) of Attachment 1 as recommended by the Planning Commission (File # ZC 2018-01).



M. Cleve Morris, City Manager



Pierre Rivas, Development Services Department

Attachments:

1. Draft Ordinance
2. Draft December 4, 2018 Planning Commission Minutes
3. Public Comments