

THE PEOPLE OF THE CITY OF EL MONTE DO ORDAIN AS FOLLOWS:

SECTION 1. This measure shall be known and may be cited as the El Monte Cannabis Regulation and Public Safety Measure (also the "Measure").

SECTION 2. Purpose and Intent. The purpose and intent of the El Monte Cannabis Regulation and Public Safety Measure is to accommodate the needs of medically-ill persons in need of cannabis for medicinal purposes, as advised and recommended by their health care provider(s), and adults over the age of twenty-one (21), and to implement State of California ("State") law, which includes, but is not limited to the provisions of the Medicinal & Adult-Use Cannabis Regulation & Safety Act (hereinafter, "MAUCRSA"), as may be amended and augmented under State law, while imposing regulations on the conduct of business and use of land to protect the City of El Monte's (the "City") neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of the El Monte Cannabis Regulation and Public Safety Measure to regulate the cultivation, manufacturing, processing, testing, distribution, and retail sale and delivery of cannabis and cannabis products in a manner which is responsible, which protects the health, safety, and welfare of the residents of the City, and to enforce rules and regulations consistent with State law. In part to meet these objectives, a commercial cannabis business license shall be required to own and/or to operate a cannabis business within the City of El Monte. Accordingly, the voters of the City seek to adopt the El Monte Cannabis Regulation and Public Safety Measure in order to revise the permitting process for commercial medicinal cannabis business originally permitted under City Ordinance No. 2924 and further to avoid spending unnecessary time, costs, and unnecessary litigation expenses. The provisions of the El Monte Cannabis Regulation and Public Safety Measure are in addition to any other permits, licenses, and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses, and approval required under State or County of Los Angeles law.

SECTION 3. Legal Authority. Pursuant to Section 7 of Article XI of the California Constitution, and the provisions of the MAUCRSA, as may be amended and augmented under State law and any subsequent State legislation regarding the same, the City is authorized to adopt ordinances that establish standards, requirements, and regulations for local licenses and permits for commercial cannabis activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State, or any of its departments or divisions, shall be the minimum standards applicable in the City to commercial cannabis activity.

SECTION 4. Chapter 5.18 (Commercial Cannabis Activities) of Title 5 (Business Licenses and Regulations) of the City Municipal Code is hereby repealed in its entirety and amended to read as follows:

Chapter 5.18 - COMMERCIAL CANNABIS ACTIVITIES

5.18.010 - Commercial cannabis activity prohibited unless specifically authorized by this chapter.

Except as specifically authorized by this Chapter 5.18, to the fullest extent permitted by State law, the City expressly prohibits any and all commercial cannabis activity within the City. In particular and if permitted by State law, the City hereby expressly prohibits the delivery of cannabis and cannabis products within the City except by cannabis retailers based within the City and licensed under this Chapter 5.18. If the City is required by State law to permit the delivery of cannabis and cannabis products by cannabis retailers not based within the City, such cannabis retailers not

based within the City shall be required to comply with the requirements under this Chapter 5.18, including the City cannabis license application and approval processes under Sections 5.18.070 and 5.18.080.

5.18.020 - Compliance with laws.

It is the responsibility of the owners, managers, officers, employees, and agents of any cannabis business to ensure that it is, always, operating in a manner compliant with all applicable State and local laws and any regulations promulgated thereunder. Nothing in this Chapter 5.18 shall be construed as in conflict with State or federal law.

5.18.030 - Definitions.

When used in this Chapter 5.18, the following words shall have the meanings ascribed to them as set forth herein. Any reference to State statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision. Definitions herein, which coincide with those set forth in MAUCRSA or other applicable State law, shall be deemed to include any successor or amended versions of such definitions.

“Applicant” means the person applying for the commercial cannabis business license under this Chapter 5.18 (not the owners or the managers of the applicant).

“Cannabis” means all parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” also means marijuana as defined by Section 11018 of the California Health & Safety Code. Cannabis does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter 5.18, cannabis does not mean industrial hemp as that term is defined by Section 81000 of the State Food & Agricultural Code or Section 11018.5 of the State Health & Safety Code.

“Cannabis business” means a person engaged in commercial cannabis activity.

“Cannabis concentrate” means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product’s potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this Chapter 5.18. A cannabis concentrate is not considered food, as defined by Section 109935 of the State Health & Safety Code, or drug, as defined by Section 109925 of the State Health & Safety Code.

“Cannabis product” means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

“Canopy” means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site.

“Caregiver” or “primary caregiver” has the same meaning as that term is defined in Section 11362.7 of the State Health & Safety Code.

“Chief of Police” means Police Chief of the City of El Monte Police Department or his or her designee.

“City” or “City of El Monte” means the City of El Monte, a California General Law City.

“City Attorney” means the City Attorney of the City of El Monte or his or her designee.

“City Council” shall mean the City Council of the City of El Monte.

“City Manager” means the City Manager of the City of El Monte or his or her designee.

“Commercial cannabis activity” has the same meaning as that term is defined under MAUCRSA and includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, or sale of cannabis and cannabis products as regulated under this Chapter 5.18.

“Commercial cannabis business license” means a regulatory license issued by the City pursuant to this Chapter 5.18 to a cannabis business and is required before any commercial cannabis activity may be conducted in the City. The initial permit and annual renewal of a commercial cannabis business license is made expressly contingent upon the cannabis business’s ongoing compliance with all of the requirements of this Chapter 5.18 and any regulations adopted by the City governing the commercial cannabis activity at issue.

“County” means the County of Los Angeles.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

“Cultivation site” means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities may occur. Cultivation sites must be licensed by the City and State pursuant to this Chapter 5.18.

“Customer” means a natural person twenty-one (21) years of age or over or a natural person eighteen (18) years of age that is a qualified patient or primary caregiver.

“Day care center” or “childcare facility” means a facility, other than a family day care home, serving infant, toddler, preschool, and school age children licensed by the State Department of Social Services pursuant to Section 1596.951 of the State Health & Safety Code. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of “day care center” under this Chapter 5.18 shall override the definition of “day care center” in MAUCRSA at Section 26001 of the State Business & Professions 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 (or a microbusiness engaging in retail sales).

“Dispensary” or “retailer” means a facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products. Retailers must be licensed by the City and State pursuant to this Chapter 5.18.

“Dispensing” or “retail sale(s)” means any activity involving the retail sale of cannabis or cannabis products from a retailer (or a microbusiness engaging in retail sales).

“Distribution” means the procurement, sale, and transport of cannabis and cannabis products between persons lawfully conducting commercial cannabis activity under this Chapter 5.18 and State law.

“Distributor” means a person engaged in the distribution of cannabis and cannabis products. Based within the City must be licensed by the City and State pursuant to this Chapter 5.18.

“Dried flower” means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

“Edible cannabis product” means cannabis product 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 State Food & Agriculture Code. An edible cannabis product is not considered food, as defined by Section 109935 of the State Health & Safety Code, or drug, as defined by Section 109925 of the State Health & Safety Code. An edible cannabis product shall not be deemed to be adulterated pursuant to Section 26131 of the State Business & Professions Code solely because it contains cannabis.

“Employee” means each person who renders any service, with or without compensation for a cannabis business. For purposes of this Chapter 5.18, the term “employee” shall include part-time, full-time, temporary, or permanent employees.

“Labeling” means any label or other written, printed, or graphic matter upon cannabis, a cannabis product, or upon a container for cannabis or a cannabis product.

“Labor peace agreement” means an agreement between a cannabis business and any bona fide labor organization that, at a minimum, protects the City’s proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with a cannabis business. This agreement means that the cannabis business has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the cannabis business’s employees. The agreement shall provide a bona fide labor organization access at reasonable times to areas in which the cannabis business’s employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under State law, and terms and conditions of employment.

“Licensee” means the holder of a valid, City-issued commercial cannabis business license.

“Licensing authority” means a State agency responsible for the issuance, renewal, or reinstatement of State license, or a State agency authorized to take disciplinary action against a State licensee.

“Liquid assets” means assets that can be readily converted into cash. “Liquid assets” include, but are not limited to, the following: funds in checking or savings accounts, certificates of deposit, money market accounts, mutual fund shares, publicly traded stocks, and United States savings bonds. “Liquid assets” does not mean household items, furniture and equipment, vehicles, cannabis or cannabis products, business inventory, or real property and improvements thereto.

“Live plants” means living cannabis flowers and plants, including seeds, immature plants (including unrooted clones), and vegetative stage plants.

“Manager” means any individual who will be participating in the direction, control, or management of an applicant or a licensee, including but not limited to, any (i) manager or managing member or other officer of a limited liability company, or (ii) chief executive officer, secretary, treasurer / chief financial officer or other officer of a for profit corporation.

“Manufacture(ing)” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

“Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container. A manufacturer may also be a person that infuses cannabis in its products but does not perform its own extraction.

“Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction, or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.

“Manufacturing site” means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis. Manufacturing sites must be licensed by the City and State pursuant to this Chapter 5.18.

“Marijuana” means “cannabis”, as that term is defined in this Chapter 5.18.

“MAUCRSA” means Division 10 (commencing with Section 26000) of the State Business and Professions Code and any regulations promulgated thereunder.

“Microbusiness” means a cannabis business engaged in at least three (3) of the following commercial cannabis activities: cultivation (on areas less than ten thousand (10,000) square feet), manufacturing (without the use of volatile solvents), distribution, or retail sale.

“Nursery” means a person that produces only clones, immature plants, seeds and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

“Owner” means any of the following:

- A. A person with an aggregate ownership interest of twenty (20) percent or more in the applicant or a licensee, unless the interest is solely a security, lien, or encumbrance;

- B. The chief executive officer, secretary, or treasurer / chief financial officer of a nonprofit applicant or licensee; or
- C. A member of the board of directors of a nonprofit applicant or licensee.

Notwithstanding Subsection C above, every applicant and licensee must have at least one individual person designated as an “owner” for the purpose of compliance with this Chapter 5.18, including the review and evaluation of any commercial cannabis business license application.

“Panic button” means an emergency electronic contact device which allows an employee in the event of an ongoing crime, threat, or other emergency to alert a security guard responsible for providing immediate on-scene assistance.

“Patient” or “qualified patient” means a person who is entitled to the protections of Section 11362.5 of the State Health & Safety Code and includes a person issued an identification card issued pursuant to Article 2.5 of Chapter 6 of Division 10 of the State Health & Safety Code.

“Person” means an 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 and includes the plural as well as the singular number.

“Person with an identification card” shall have the meaning given to that term in Section 11362.7 of the State Health & Safety Code.

“Premises” means the designated structure or structures and land specified in the commercial cannabis business license application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee.

“School” means, as evidenced by the State Department of Education school directory, a public school instructing children in grades kindergarten through 12, as authorized by the State Department of Education or a private school instructing children in grades kindergarten through 12 that has filed a verification of private school affidavit with the State Department of Education pursuant to Section 33190 of the State Education Code, excluding any private school in which education is primarily conducted in a private home. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of “school” under this Chapter 5.18 shall override the definition of “school” used in MAUCRSA or Section 11362.768 of the Health & Safety Code.

“State” means the State of California.

“State license” means a permit or license issued by the State, or one of its departments or divisions, under MAUCRSA and any subsequent State legislation regarding the same to engage in commercial cannabis activity.

“Testing laboratory” means a laboratory, facility, or entity in the City that offers or performs tests 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 of Cannabis Control and is owned and operated by a person issued a valid commercial cannabis business license for laboratory testing from the City.

“Topical cannabis” means a product intended for external application and/or absorption through the skin. A topical cannabis product is not considered a drug as defined by Section 109925 of the State Health & Safety Code.

“Volatile solvent” means a solvent that is or produces a flammable gas vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

“Youth center” means any public or private facility that is primarily used to host recreational or social activities for minors such as private youth membership organizations or clubs, social service teenage club facilities, or a park, playground or recreational area specifically designed to be used by children which may have play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on City, County or State parks. “Youth center” shall not include any private martial arts, yoga, ballet, music, or similar studio of this nature nor shall it include any private athletic training facility, pizza parlor, restaurant, video arcade, dentist office, or doctor’s office primarily serving children. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of “youth center” under this Chapter 5.18 shall override the definition of “youth center” in MAUCRSA at Section 26001 of the State Business & Professions Code.

5.18.040 - Commercial cannabis business license required to engage in commercial cannabis activity.

No person may engage in any commercial cannabis activity within the City unless the person (1) has a valid commercial cannabis business license issued by the City; (2) has a valid State license; (3) any other applicable approvals, including, but not limited to, a building permit and City business license; and (4) is currently in compliance with all applicable State and local laws and regulations pertaining to the commercial cannabis activity.

5.18.050 - Maximum number of authorized commercial cannabis business licenses permitted.

- A. The number of commercial cannabis business licenses for retailers (including microbusinesses engaged in retail sales) based within the City shall be no more than six (6).
- B. The number of commercial cannabis business licenses for retailers (including microbusinesses engaged in retail sales) based outside the City to engage in delivery within the City shall be zero (0).
- C. The maximum number of commercial cannabis business licenses issued for cannabis retailers (including microbusinesses engaged in retail sales) may not be amended by the City Council or regulations promulgated by the City Manager or designee(s) pursuant to this Chapter 5.18. However, the City Council may and shall increase the maximum number of commercial cannabis business licenses issued for retailers based within the City or outside the City (including microbusinesses engaged in retail sales) if ordered to do so by a court of competent jurisdiction as a judicial remedy.

- D. Within sixty (60) days following the effective date of this Chapter 5.18, the City Manager or designee(s), pursuant to regulations adopted under Section 5.18.300, shall make available commercial cannabis license applications for any (i) licensee issued a commercial medicinal cannabis business permit, conditional use permit, or development agreement under City Ordinance No. 2924 (regardless if such commercial medicinal cannabis business permit, conditional use permit, or development agreement was rescinded) prior to September 13, 2019, or (ii) applicant for a commercial medicinal cannabis business permit under City Ordinance No. 2924 with an application submitted prior to September 13, 2019, to, upon payment of an application fee set by resolution of the City Council, convert their commercial medicinal cannabis business permit or commercial medicinal cannabis business permit application to a commercial cannabis business license or license application to the corresponding type of commercial cannabis activity permitted under this Chapter 5.18. The City Manager or designee(s) shall process such conversion applications as a ministerial duty within sixty (60) days of receipt, with the licensees and applicants completing conversion to become subject to the requirements of this Chapter 5.18 upon the effective date of conversion. The maximum number of commercial cannabis business licenses for cultivation sites, manufacturing sites, distributors based within the City, microbusinesses not engaged in retail sales, and testing laboratories shall initially be limited to the number and type of commercial cannabis business licenses issued pursuant to conversion applications processed by the City Manager or designee(s) under this Subsection D. The City Council may increase (but not decrease) the maximum number of commercial cannabis business licenses for cultivation sites, manufacturing sites, distributors based within the City, microbusinesses not engaged in retail sales, and testing laboratories by resolution. Upon the effective date of this Chapter 5.18, the requirement that a permittee issued a commercial medicinal cannabis business permit under City Ordinance No. 2924 also operate pursuant to a conditional use permit and development agreement shall be repealed and become null and void. Accordingly, all conditional use permits and development agreements approved under City Ordinance No. 2924 shall automatically terminate and become null and void upon the effective date of this Chapter 5.18. One-hundred eighty-one (181) days following the effective date of this Chapter 5.18, all commercial medicinal cannabis business permits issued and applications submitted under City Ordinance No. 2924 shall become null and void and automatically terminate. Further, the City Council may and shall increase the maximum number of commercial cannabis business licenses issued for cultivation sites, manufacturing sites, distributors based within the City, microbusinesses not engaged in retail sales, and testing laboratories if ordered to do so by a court of competent jurisdiction as a judicial remedy.

5.18.060 - Location and design requirements for cannabis businesses.

Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, cannabis businesses in the City shall be subject to the following location and design requirements, in accordance with MAUCRSA at Section 26054(b) of the State Business & Professions Code:

- A. Retailers shall be a permitted use by right subject to this Chapter 5.18 on property (i) located more than eight-hundred (800) feet from any school, day care center, or youth center established at the time the first complete commercial cannabis business license application is submitted relative to the property and (ii) zoned: SP-4, MMU, C-O, C-1, C-2, C-3, C-4, M-1, and M-2.

- B. Testing laboratories shall be a permitted use by right subject to this Chapter 5.18 on property (i) located more than eight-hundred (800) feet from any school, day care center, or youth center established at the time the first complete commercial cannabis business license application is submitted relative to the property and (ii) zoned: C-O, C-1, C-2, C-3, C-4, M-1, and M-2.
- C. Cultivation sites, manufacturing sites, microbusinesses, and distributors shall be a permitted use by right subject to this Chapter 5.18 on property (i) located more than eight-hundred (800) feet from any school, day care center, or youth center established at the time the first complete commercial cannabis business license application is submitted relative to the property and (ii) zoned: C-3 (but limited to the East Valley Entryway Area overlay in Exhibit A of City Ordinance No. 2924), M-1, and M-2.
- D. Testing laboratories, cultivation sites, manufacturing sites, and distributors that were licensees issued a commercial medicinal cannabis business permit, conditional use permit, or development agreement under City Ordinance No. 2924 prior to September 13, 2019, may continue to operate on a property not in compliance with this Section 5.18.060 if such property was subject to a commercial medicinal cannabis business permit, conditional use permit, or development agreement under City Ordinance No. 2924 so long as the property remains continually used for commercial cannabis activity upon commencement of commercial cannabis activity on the property. For the purpose of this Section, a property shall be considered continually used for commercial cannabis activity if (i) upon initial issuance of commercial cannabis business license, lawful commercial cannabis activity at the property commences within thirty-six (36) months or (ii) following initial commencement of lawful operations, commercial cannabis activity does not cease or is not abandoned for one-hundred twenty (120) consecutive or cumulative days in any one (1) year period.
- E. The distances specified in this Section 5.18.060 shall be the horizontal distance measured in a straight line from the property line of the sensitive use to the closest property line of the lot on which the cannabis business is to be located without regard to intervening structures. The City Council, by resolution, may (i) eliminate (but not add) sensitive uses applicable to cannabis businesses in Subsections A through D; (ii) reduce (but not increase), to include by amending the manner of measurement in this Subsection E, the buffer distance for sensitive uses applicable to cannabis businesses in Subsections A through D; and (iii) expand (but not contract) the permissible zoning districts for cannabis businesses in Subsections A through D and Title 17 (Zoning) of the City Municipal Code.
- F. Each cannabis business shall:
 1. Conform with the General Plan, any applicable specific plans, master plans, and design requirements;
 2. Comply with all applicable zoning and related development standards;
 3. Be constructed in a manner that prevents odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties. Odors from the cannabis business shall not be detectable from outside the premises and adequate odor control technology shall be utilized;

4. Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development;
5. Be provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose; and
6. Provide and maintain a neighborhood compatibility plan so the City Manager or designee(s) may find that the cannabis business and its operating characteristics are not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance.

G. Each cannabis business shall meet the following design guidelines:

1. Demonstrate compatibility with the surrounding character of the neighborhood and reasonably blend in with existing buildings. The premises should look like any other similarly situated building; and
2. Comply with all applicable zoning and related development standards, including, but not limited to, parking, lighting, building materials, landscaping, and colors.

5.18.070 - Cannabis retailer application procedure.

- A. Within sixty (60) days following the effective date of this Chapter, the City Manager or designee(s) shall make available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of commercial cannabis business license application for retailers (including microbusinesses engaged in retail sales) up to the maximum number of commercial cannabis business licenses authorized in Section 5.18.050.
- B. The City Manager or designee(s) shall cease acceptance of a commercial cannabis business license application for retailers (including microbusinesses engaged in retail sales) thirty (30) days after making available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of commercial cannabis business license application for retailers (including microbusinesses engaged in retail sales).
- C. Within thirty (30) days of ceasing the acceptance of commercial cannabis business license application for retailers (including microbusinesses engaged in retail sales), the City Manager or designee(s) shall review timely submitted retailer applications for the following minimum requirements:
 1. Payment of an application fee established by resolution of the City Council to cover all costs incurred by the City in the application process;
 2. Sufficient evidence of the legal right to use the proposed property for the proposed use, to include a lease, sublease, purchase agreement, assignment of purchase agreement, or lease or purchase option, in the name of the applicant, which may include nominal consideration and be contingent upon issuance of a commercial cannabis business license or other approvals;

3. Sufficient evidence to demonstrate that the proposed property complies with location and zoning requirements in Section 5.18.060;
4. Proof that an individual owner of the applicant with an aggregate ownership interest of twenty (20) percent or more has served as an owner or manager of one or more other cannabis retailers (including microbusinesses with a retail sales component) licensed by a city, county, or city and county or state since at least December 1, 2018;
5. Proof that the applicant (i) was issued a commercial medicinal cannabis business permit, conditional use permit, or development agreement under City Ordinance No. 2924 (regardless if such commercial medicinal cannabis business permit, conditional use permit, or development agreement was rescinded) prior to September 13, 2019, or (ii) submitted an application for a commercial medicinal cannabis business permit under City Ordinance No. 2924 prior to September 13, 2019;
6. Proof of funds showing that the applicant has access and control of over \$400,000.00 in liquid assets, which may be via a binding legal agreement in the name of the applicant such as a promissory note so long as said legal agreement is accompanied by a proof of funds in the name of a party to the agreement;
7. Proof of a labor peace agreement between a bona fide labor organization and the applicant. An applicant shall provide a copy of the page of the labor peace agreement that contains the signatures of the union representative and the cannabis business to the City;
8. A set of plans, including site development plan, floor plans and building elevations (all four (4) sides), preliminary grading plan, and a conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species;
9. Colored interior and elevation renderings;
10. A completed background check application and receipt for each owner and manager of the applicant pursuant to Section 5.18.210.M;
11. The following application components: (a) evidence of character, veracity, qualifications, background, and relevant experience of the owners and managers of the applicant; (b) business plan; (c) operations plan; (d) safety / security plan; (e) neighborhood compatibility plan (to include an odor control plan and an environmental impact mitigation plan); and (f) community benefits plan (to include a labor and employment plan); and
12. For an applicant with two (2) or more employees, the applicant shall attest to the City that the applicant has entered into a labor peace agreement and will abide by the terms of the agreement. The applicant shall submit a copy of the page of the labor peace agreement that contains the signatures of the labor representative and the applicant. For applicants with less than two (2) employees who have not yet entered into a labor peace agreement, the applicant shall provide a notarized

statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement within thirty (30) days after employing two (2) employees.

The City Manager or designee(s) shall as a ministerial duty reject any commercial cannabis business license application that fails to meet the minimum requirements contained in this Subsection C.

D. Within sixty (60) days of completing the application review under Subsection C above, the City Manager or designee(s) shall review and score any applications complete pursuant to objective review criteria adopted pursuant to the necessary application rules under Subsection A, according to the following point system or equivalent quantitative evaluation scale:

1. Qualifications of the applicant's owners and managers – 100 points
2. Plans, renderings, and overall location – 100 points
3. Business plan – 100 points
4. Operations plan – 100 points
5. Safety / security plan – 200 points
6. Neighborhood compatibility plan – 200 points
7. Community benefits plan – 175 points
8. Collective bargaining agreement – 25 points

The points under Subsection 8 may only be awarded if the applicant provides documentation that an individual owner of the applicant with an aggregate ownership interest of twenty (20) percent or more was disclosed as an owner, manager, or employee to a city, county, or city and county or state prior to September 13, 2019, of an existing licensed cannabis retailer, or an existing licensed microbusiness engaged in retail sales (and remains an owner, manager, or employee of said existing licensed cannabis retailer or microbusiness at the time of the application review under this Subsection D) with a collective bargaining agreement with a labor organization that currently represents cannabis workers in the United States effective since at least December 1, 2018, inclusive of renewals (and remaining effective, inclusive of renewals, at the time of the application review under this Subsection D).

E. Upon timely receipt of a retailer (or a microbusiness engaged in retail sales) commercial cannabis business license application, the City Manager or designee(s) shall direct the Chief of Police to conduct background checks in accordance with Section 5.18.210.M. In the issuance of commercial cannabis business licenses to applicants in order of their rank under Subsection D, the City Manager or designee(s) shall not issue a commercial cannabis business license to any applicant with an owner or manager that:

1. Provided false or misleading information on the applicant's commercial cannabis business license application;

2. Has been convicted (or pled no contest) of “an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made” as that term is defined in 26057(b)(4) of the Business & Professions Code; or
 3. Have been sanctioned by a licensing authority or a city, county, or city and county for unauthorized commercial cannabis activities, has had a license suspended or revoked under MAUCRSA in the three (3) years immediately preceding the date the application was submitted.
- F. Any decision of the City Manager or designee(s) under this Section 5.18.070 shall be a final administrative decision not subject to administrative appeal under any provisions of this Chapter 5.18 or any provisions of the City Municipal Code but, rather, subject to judicial review and remedies.
- G. In the event that (i) the number of active, operating retailers (or microbusinesses engaged in retail sales) and issued commercial cannabis business licenses falls below the maximum number of commercial cannabis business licenses for retailers (including microbusinesses engaged in retail sales) authorized in Section 5.18.050 or (ii) the City Council is ordered to increase the maximum number of commercial cannabis business licenses issued for retailers (including microbusinesses engaged in retail sales) by a court of competent jurisdiction as a judicial remedy, the City Manager or designee(s) shall within thirty (30) days reinstitute the application procedure under this Section 5.18.070, subject to the maximum number of commercial cannabis business licenses for retailers (including microbusinesses engaged in retail sales) authorized and available (not allocated to an active, lawfully operating retailer) for issuance. For the purpose of this Section, a retailer (or a microbusinesses engaged in retail sales) shall be considered operating if (i) upon initial issuance of commercial cannabis business license (or approval of a change in location pursuant to Section 5.18.150), the retailer (or microbusinesses engaged in retail sales) commences lawful operations within thirty-six (36) months or (ii) following initial commencement of lawful operations, the retailer (or microbusinesses engaged in retail sales) does not cease or abandon operations for one-hundred twenty (120) consecutive or cumulative days in any one (1) year period.

5.18.080 - Application procedure for commercial cannabis activity other than retailers.

- A. In the event that (i) the number of active, operating cultivation sites, manufacturing sites, distributors based within the City, microbusinesses not engaged in retail sales, and testing laboratories falls below the maximum number of commercial cannabis business licenses for cultivation sites, manufacturing sites, distributors based within the City, microbusinesses not engaged in retail sales, and testing laboratories that are authorized in Section 5.18.050; (ii) the City Council by resolution increases the maximum number of commercial cannabis business licenses for cultivation sites, manufacturing sites, distributors based within the City, microbusinesses not engaged in retail sales, and testing laboratories authorized in Section 5.18.050; or (iii) the City Council is ordered to increase the maximum number of commercial cannabis business licenses issued for cultivation sites, manufacturing sites, distributors based within the City, microbusinesses not engaged in retail sales, and testing laboratories by a court of competent jurisdiction as a judicial remedy, the City Manager or designee(s), shall within thirty (30) days adopt regulations pursuant to Section 5.18.300, for an application process and related forms, which shall provide for a point system based evaluation of applications by the City

Manager or designee(s), who shall score applicants and recommend the best applicants for additional review by staff, which shall approve commercial cannabis business licenses for cultivation sites, manufacturing sites, distributors based within the City, microbusinesses not engaged in retail sales, and testing laboratories as a ministerial duty.

- B. For the purpose of this Section, a cannabis business shall be considered operating if (i) upon initial issuance of commercial cannabis business license (or approval of a change in location pursuant to Section 5.18.130), the cannabis business commences lawful operations within thirty-six (36) months or (ii) following initial commencement of lawful operations, the cannabis business does not cease or abandon operations for one-hundred twenty (120) consecutive or cumulative days in any one (1) year period.

5.18.090 - Limitations on City's liability.

To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a commercial cannabis business license pursuant to this Chapter 5.18 or otherwise approving the operation of any cannabis business. As a condition to the approval of any commercial cannabis business license, the applicant shall be required to meet all of the following conditions before they can receive the commercial cannabis business license:

- A. Execution of an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of the commercial cannabis business license, the City's decision to approve the operation of the cannabis business or activity, the process used by the City in making its decision, or the alleged violation of any federal, State, or local laws by the cannabis business or any of its officers, employees, or agents.
- B. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Attorney.
- C. Reimburse the City for all costs and expenses, including but not limited to attorneys' fees and costs and court costs, which the City may be required to pay as a result of any legal challenge related to the City's approval of the applicant's commercial cannabis business license or related to the City's approval of a commercial cannabis activity. The City, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

5.18.100 - Commercial cannabis business license term.

- A. Subject to this Section 5.18.100 and Section 5.18.110, the term of each commercial cannabis business license shall be indefinite.
- B. Upon the one (1) year anniversary of the date of issuance for each commercial cannabis business licenses and each year thereafter, the City Manager or designee(s) shall conduct a performance review of the licensee to assess compliance with the requirements of this Chapter 5.18. Within thirty (30) days of the conclusion of the annual performance review of the licensee, the City Manager or designee(s) shall issue a letter of compliance or noncompliance outlining all items to be corrected to ensure full compliance. In the event of any noncompliance, the licensee shall have sixty (60) days to remedy such

noncompliance. However, in the event such noncompliance items cannot be remedied within sixty (60) days, such failure to remedy shall constitute a material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this Chapter 5.18 subject to suspension or revocation under Section 5.18.110.

- C. The licensee shall pay a fee in an amount to be set by the City Council via resolution to cover the costs of conducting the performance review, together with any costs incurred by the City to administer the program created under this Chapter 5.18.

5.18.110 - Suspension and revocation of commercial cannabis business licenses.

- A. The City Manager or designee(s) may suspend or revoke a commercial cannabis business license for any material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this Chapter 5.18.
- B. Suspension or revocation of a State license issued by the State or by any of its departments or divisions, corresponding to the commercial cannabis business license shall immediately result in the suspension of the associated commercial cannabis business license until the State, or its applicable department or division, reinstates the State license or otherwise lifts such suspension.
- C. A licensee shall inform the City Manager or designee(s) of any suspension, revocation, or termination of a State license corresponding to its commercial cannabis business license within two (2) business days of the suspension, revocation, or termination of the State license.

5.18.120 - Appeals regarding commercial cannabis business licenses.

- A. Within ten (10) calendar days after the date of a decision of the City Manager or his/her designee(s) to add conditions, revoke, suspend, or deny the renewal of an issued commercial cannabis business license, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper. An appeal shall stay all proceedings in furtherance of the appealed action.
- B. At the time of filing the appellant shall pay the designated appeal fee, established by resolution of the City Council.
- C. Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council. The City Council shall hear the matter de novo, and shall conduct the hearing pursuant to the procedures set forth by the City.
- D. The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than ninety (90) days from the date of such filing. The City shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.
- E. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.

- F. At the conclusion of the hearing the City Council may affirm, reverse, or modify the decision appealed. The decision of the City Council shall be a final administrative decision, subject to judicial review and remedies.

5.18.130 - Change in location; updated application information.

- A. A licensee may change the business location specified in a commercial cannabis business license upon submission and approval of a change in location application promulgated by the City Manager or designee(s) pursuant to regulations adopted under Section 5.18.300 within one-hundred eighty (180) days following the effective date of this Chapter 5.18. The licensee shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in location applications. The City Manager or designee(s) shall process such change in location applications as a ministerial duty within sixty (60) days of receipt.
- B. An applicant or licensee shall notify the City Manager or designee(s) within fifteen (15) calendar days of any material change in the information provided in the applicant or licensee's commercial cannabis business license application or the registration form or any change in status of compliance with the provisions of this Chapter 5.18, including any change in the cannabis business ownership or management.

5.18.140 - Transfer of commercial cannabis business license.

- A. An owner of a commercial cannabis business license shall not transfer ownership or control of such permit to another person or entity unless and until the transferee obtains an amendment to the license from the City Manager or designee(s) stating that the transferee is now an owner of the licensee. A licensee may change the ownership specified in a commercial cannabis business license upon submission and approval of a change in ownership application promulgated by the City Manager or designee(s) pursuant to regulations adopted under Section 5.18.300 within one-hundred eighty (180) days following the effective date of this Chapter 5.18. The licensee shall pay an application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in ownership applications. The City Manager or designee(s) shall process such change in ownership applications as a ministerial duty once the City Manager or designee(s) reasonably determines that the transferee passed the background check required for owners and meets all other requirements of this Chapter 5.18.
- B. A licensee may transfer ownership or change form of business entity without applying to the City Manager or designee(s) for a change in ownership, provided that either:
 - 1. The ownership of the licensee is substantially similar after transfer or change form of business entity in that at least 50.1% of the ownership of the licensee as provided in the original commercial cannabis business license application for the license remains identical after transfer or change form of business entity; or
 - 2. If the original licensee is a cooperative or collective and then transitions to a new business entity, provided that all the owners in the new business entity are identical those owners provided in the original commercial cannabis business license application for the license.

Although a transfer application is not required in these two (2) circumstances, the licensee is required to notify the City Manager or designee(s) in writing of the change within fifteen (15) calendar days of the change.

- C. No commercial cannabis business license may be transferred when the City Manager or designee(s) has notified the licensee that the license has been or may be suspended or revoked.
- D. Any attempt to transfer a commercial cannabis business license either directly or indirectly in violation of this Section 5.18.140 is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the permit.

5.18.150 - City business license.

Prior to commencing operations, a cannabis business, including retailers (including microbusinesses engaged in retail sales) based outside the City that are engaging in delivery within the City (if permitted), shall obtain a City business license, pursuant to Chapter 5.04, including the payment of any business license taxes under Chapter 5.08.

5.18.160 - Building permits and inspection.

Prior to commencing operations, a cannabis business shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in the zone in which the business proposes to be located. These include but are not limited to building permits, fire department approvals, and health and safety approvals.

5.18.170 - Records and recordkeeping.

- A. Each cannabis business shall maintain accurate books and records in an electronic format, which detail all revenues and expenses of the business, including, but not limited to, all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a commercial cannabis business license issued pursuant to this Chapter 5.18), or at any time upon reasonable request of the City, each cannabis business shall file a sworn statement detailing the number of sales by the cannabis business during the previous 12-month period (or shorter period based upon the timing of the request) detailing sales for each month within such period in question. The statement shall also include gross sales for each month and all applicable taxes paid or due to be paid. On an annual basis, each cannabis business shall submit to the City a financial audit of the business's operations conducted by an independent certified public accountant. Each licensee shall be subject to a regulatory compliance review and financial audit as determined by the City Manager or designee(s).
- B. Each cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business and, separately, the same contact information of all officers, managers, employees, agents, and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this paragraph shall be provided to the City Manager or designee(s) upon a reasonable request.

- C. Each cannabis business shall maintain a record of all distributions of cannabis and cannabis products to other cannabis businesses authorized by state law for a period of no less than seven (7) years.
- D. All cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing, production, manufacturing, laboratory testing, distribution, sale, delivery, or other commercial cannabis activity processes until purchase or distribution.
- E. Subject to any applicable restrictions under the Health Insurance Portability & Accountability Act ("HIPAA") regulations, each cannabis business shall grant the City Manager or designee(s) access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents shall be produced no later than five (5) business days after receipt of the City Manager or designee(s)'s request for such data, unless otherwise stipulated by the City Manager or designee(s). The City Manager or designee(s) may require the materials to be submitted in an electronic format that is compatible with the City's software and hardware.

5.18.180 - Security measures.

- A. A cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis or cannabis products at the cannabis business. Except as may otherwise be determined by the Chief of Police or designee(s), these security measures shall include, but are not limited to, all of the following:
 - 1. Preventing individuals from remaining on the premises of the cannabis business if they are not engaging in an activity directly related to the permitted operations of the cannabis business.
 - 2. Establishing limited access areas accessible only to authorized cannabis business personnel.
 - 3. Except for live growing plants, which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants which are being cultivated, shall be kept in a manner designed to prevent diversion, theft, and loss.
 - 4. Installing twenty-four-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the cannabis business, which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis, and all interior spaces where diversion of cannabis could reasonably occur. The cannabis business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Chief of Police or designee(s), and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from

the cameras shall be provided to the Chief of Police or designee(s). Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the Chief of Police or designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the cannabis business.

5. Sensors shall be installed to detect entry and exit from all secure areas.
 6. Panic buttons shall be installed in all cannabis businesses.
 7. Having a professionally installed, maintained, and monitored alarm system.
 8. Any bars installed on the windows or the doors of the cannabis business shall be installed only on the interior of the building.
 9. Security personnel shall be on-site twenty-four (24) hours a day or alternative security as authorized by the Police Chief or designee(s). Security personnel must be licensed by the State Bureau of Security & Investigative Services personnel and shall be subject to the prior review and approval of the Chief of Police or designee(s), which shall not be unreasonably withheld.
 10. Each cannabis business shall install standby generators and have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
 11. Additional security measures may be added through the review of a commercial cannabis business license permit application.
- B. Each cannabis business shall identify a designated security representative/liaison to the City, who shall be reasonably available to meet with the Chief of Police or designee(s) regarding any security related measures or and operational issues.
- C. Each cannabis business (including as part of the commercial cannabis business license application process) shall have a storage and transportation plan and currency management plan, which describes in detail the procedures for safely and securely storing, disposing and transporting all cannabis, cannabis products, and any currency.
- D. The cannabis business shall cooperate with the City whenever the Chief of Police or designee(s) makes a request, upon reasonable notice to the cannabis business, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter 5.18.
- E. A cannabis business shall notify the Chief of Police or designee(s) within twenty-four (24) hours after discovering any of the following:
1. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager or designee(s).
 2. Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.

3. The loss or unauthorized alteration of records related to cannabis and cannabis products or registering customers or employees and/or agents of the cannabis business.
4. Any other breach of security.

5.18.190 - Restriction on alcohol and tobacco sales.

No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco on or about the premises of the cannabis business.

5.18.200 - Fees and charges.

- A. No person may commence or continue any commercial cannabis activity in the City without timely paying in full all fees and charges required for the operation of a commercial cannabis activity. Fees and charges associated with the operation of such activity shall be established by resolution of the City Council which may be amended from time to time.
- B. All cannabis businesses authorized to operate under this Chapter 5.18 shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, State, and local law. Each cannabis business shall cooperate with City with respect to any reasonable request to audit the cannabis business' books and records for the purpose of verifying compliance with this Section 5.18.200, including, but not limited to, a verification of the amount of taxes required to be paid during any period.

5.18.210 – Generally applicable operating requirements.

- A. Cannabis businesses may operate only during the hours specified in the commercial cannabis business license issued by the City and must comply with State law at all times.
- B. Cannabis shall not be consumed on the premises of any cannabis businesses.
- C. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a commercial cannabis business license or on any of the vehicles owned or used as part of the cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.
- D. Each cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), and other information which may be deemed necessary by the City. The cannabis business shall ensure that such information is compatible with the City's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager or designee(s) prior to being used by the licensee.
- E. With the exception of retailers (but not including microbusinesses engaged in retail sales), each cannabis business shall install standby generators (or battery backup) and have the capability to remain operational for a reasonable period of time during a power outage.

- F. All cannabis and cannabis products sold, distributed, and/or manufactured shall be cultivated, manufactured, and distributed by licensed facilities that maintain operations in full conformance with the State and local regulations.
- G. There shall not be a physician located in any cannabis business at any time for the purpose of evaluating patients for the issuance of a medicinal cannabis recommendations.
- H. Each cannabis business shall provide the City Manager or designee(s) with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.
- I. Signage and Notices.
 - 1. In addition to the requirements otherwise set forth in this Section 5.18.210, business identification signage for a cannabis business shall conform to the requirements of the City Municipal Code, including, but not limited to, seeking the issuance of a City sign permit.
 - 2. No signs placed on the premises of a cannabis business shall obstruct any entrance or exit to the building or any window.
 - 3. Each entrance to a cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises, or in the areas adjacent to the premises, is prohibited.
 - 4. The entrance to the cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the cannabis business, other than as lawful customers permitted under State law in the case of retailers.
 - 5. No cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the cannabis business or elsewhere including, but not limited to, the public right-of-way.
- J. Other than as lawful customers permitted under State law in the case of retailers, individuals under the age of twenty-one (21) years shall not be allowed on the premises of a cannabis business and shall not be allowed to serve as a driver for a cannabis business. It shall be unlawful and a violation of this Chapter 5.18 for any person to employ any person at a cannabis business who is not at least twenty-one (21) years of age.
- K. Odor control devices and techniques shall be incorporated in all cannabis businesses to ensure that odors from cannabis are not detectable off-site. Cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis business. As such, cannabis businesses must install and maintain the following equipment, or any other equipment

which the City Manager or designee(s) determines is a more effective odor control method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally; and
 2. An air system that creates negative air pressure between the cannabis business's interior and exterior, so that the odors generated inside the cannabis business are not detectable on the outside of the commercial cannabis business.
- L. The original copy of the commercial cannabis business license issued by the City pursuant to this Chapter 5.18 and the City issued business license pursuant to Chapter 5.04 shall be posted inside the cannabis business in a location readily visible to the public.
- M. Pursuant to Sections 11105(b)(11) and 13300(b)(11) of the State Penal Code, which authorizes City authorities to access State and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee or volunteer, of the cannabis business must submit fingerprints and other information deemed necessary by the Chief of Police or his/her designee(s) for a background check by the City Police Department. Pursuant to Sections 11105(b)(11) and 13300(b)(11) of the State Penal Code, which requires that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a commercial cannabis business permit unless they have first cleared the background check, as determined by the Chief of Police or designee(s), as required by this Chapter 5.18. A fee for the cost of the background investigation, which shall be the actual cost to the City to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business license is submitted.
- N. The cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.
- O. Within sixty (60) days of licensure, for a licensee with two (2) or more employees, the licensee shall attest to the City that the licensee has entered into a labor peace agreement and will abide by the terms of the agreement. The licensee shall submit a copy of the page of the labor peace agreement that contains the signatures of the labor representative and the applicant. For licensees with less than two (2) employees who have not yet entered into a labor peace agreement, the licensee shall provide a notarized statement indicating that the applicant will enter into and abide by the terms of a labor peace agreement within thirty (30) days after employing two (2) employees. If an attestation that the licensee is party to a labor peace agreement, and a copy of the page of the labor peace agreement that contains the signatures of the labor representative was submitted to the City by the licensee as part of the application process, that will meet this obligation.
- P. Cannabis businesses shall implement a workforce plan that includes at least the following provisions:

1. Commitment for thirty percent (30%) of employees to be local hires; this local hiring requirement is satisfied when a cannabis business shows that it has either hired or made a good faith effort to hire bona fide residents of the City or persons that may establish residency after initial employment with the licensee;
2. Commitment to offer apprenticeships and/or compensation for continuing education in the field of commercial cannabis activity; and
3. Entering into a collective bargaining agreement and/or paying a living wage to employees. "Living wage" means one-hundred fifty percent (150%) more than the applicable amount of the hourly minimum wage mandated by State or federal law (converted to an annual salary by multiplying that hourly minimum wage by 2,080, as applicable), whichever is greater.

Q. It shall be unlawful for a cannabis business to discriminate in any manner or take adverse action against any employee in retaliation for exercising rights protected under this Chapter 5.18 or City or State law. These rights include, but are not limited to (i) the right to file a complaint or inform any person about any party's alleged noncompliance with this Chapter 5.18 or City or State law; and (ii) the right to inform any person of his or her potential rights under this this Chapter 5.18 or City or State law and to assist him or her in asserting such rights. Protections under this this Chapter 5.18 or City or State law shall apply to any employee who mistakenly, but in good faith, alleges noncompliance with this this Chapter 5.18 or City or State law. Taking adverse action against an employee within ninety (90) days of the employee's exercise of rights protected under this this Chapter 5.18 or City or State law shall raise a rebuttable presumption of having done so in retaliation for the exercise of such rights.

5.18.220 - Additional operational requirements.

The City Manager or designee(s) may, pursuant to Section 5.18.300, develop additional cannabis business operational requirements or regulations for all authorized commercial cannabis activities as are reasonably determined to be necessary to protect the public health, safety, and welfare.

5.18.230 - Additional operating requirements for cultivation sites.

- A. Cultivation sites and the operation thereof shall comply with State law at all times.
- B. The cultivation of all cannabis must occur indoors. All outdoor cultivation is prohibited.
- C. In no case, shall cannabis plants be visible from the facility's parking lot, a public or private road, sidewalk, park, or any common public viewing area.
- D. Cultivation shall only be allowed within canopy space limitations under State law.
- E. Cultivation shall be conducted in accordance with State and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.
- F. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.

- G. In no case shall any hazardous, flammable, or explosive substances be used to process or manufacture cannabis products on site, unless a separate commercial cannabis business license is issued for the premises, which allows the use of such substances (e.g., a commercial cannabis business license for manufacturing).
- H. Cultivation shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the cannabis business, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis.
- I. All applicants for a commercial cannabis business license shall submit the following in addition to the information generally otherwise required for a cannabis business:
 - 1. A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation, and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities (indoor, mixed-light) and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting (indoor, mixed-light).
 - 2. A description of a legal water source, irrigation plan, and projected water use.
 - 3. Identification of the source of electrical power and plan for compliance with applicable Building Codes and related regulations, codes, and/or rules.
 - 4. Plan for addressing odor and other public nuisances which may derive from the cultivation site.

5.18.240 - Packaging and labeling.

The packaging and labeling of cannabis and cannabis products shall comply at all times with State law.

5.18.250 - Additional operating requirements for manufacturing sites.

- A. Manufacturing sites and the operation thereof shall comply with State law at all times.
- B. Any compressed gases used in the manufacturing process shall not be stored on any property within the city in containers that exceeds the amount which is approved by the County Fire Department or designee(s) and authorized by the regulatory permit. Each site or parcel subject to a commercial cannabis business license shall be limited to a total number of tanks as authorized by the County Fire Department or designee(s) on the property at any time.
- C. Manufacturing sites may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human-related toxicity approved by the City Manager or designee(s). These solvents must be of at least ninety-nine (99) percent purity and any extraction process must use them in a professional grade closed loop extraction system designed to recover the solvents, work an environment with

proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.

- D. If an extraction process uses a professional grade closed loop CO2 gas extraction system, the CO2 must be of at least ninety-nine (99) percent purity.
- E. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.
- F. Certification from a State-licensed engineer must be provided to the City Manager or designee(s) for a professional grade closed loop system used by any commercial cannabis manufacturing manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:
 1. The American Society of Mechanical Engineers (ASME);
 2. American National Standards Institute (ANSI);
 3. Underwriters Laboratories (UL); or
 4. The American Society for Testing and Materials (ASTM).

The certification document must contain the signature and stamp of the professional engineer and serial number of the extraction unit being certified.

- G. Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the County Fire Department or designee(s) and meet any required fire, safety, and building code requirements specified in the State Building Codes.
- H. Manufacturing sites may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.
- I. Manufacturing sites may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. All ethanol must be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.
- J. Manufacturing sites must develop standard operating procedures, good manufacturing practices, and a training plan prior to manufacturing cannabis products.
- K. Any person using solvents or gases in a closed looped system to manufacture cannabis products must be fully trained on how to use the system, have direct access to applicable material safety data sheets, and handle and store the solvents and gases safely.
- L. Parts per million for one gram of finished cannabis product cannot exceed State standards for any residual solvent or gas when quality assurance tested.

5.18.260 - Additional operating requirements for testing laboratories.

- A. Cannabis testing shall take place within an enclosed locked structure.
- B. From a public right-of-way, there should be no exterior evidence of cannabis testing except for any signs authorized by this Chapter 5.18.
- C. Test laboratories and the operation thereof shall comply with State law at all times.
- D. Test laboratories shall adopt a standard operating procedure using methods consistent with general requirements established by the International Organization for Standardization, specifically ISO/IEC 17025, to test cannabis or cannabis products, and shall operate in compliance with State law at all times.
- E. Test laboratories shall be accredited by a body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement.
- F. Test laboratories shall establish standard operating procedures that provide for adequate chain of custody controls for samples transferred to the testing laboratory for testing.
- G. Test laboratories shall destroy the remains of samples of any cannabis or cannabis product upon completion of analyses. Destruction shall be done in a manner compliant with State law.
- H. Any testing that requires the use of solvents for extraction must comply with Section 5.18.250.

5.18.270 - Additional operating requirements for retailers.

- A. Retailers and the operation thereof shall comply with State law at all times.
- B. Prior to dispensing medicinal cannabis or medicinal cannabis products to a qualified patient, a retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Sections 11362.71 through 11362.77 of State Health & Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years.
- C. Prior to dispensing cannabis or cannabis products to an adult-use customer, a retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.
- D. Entrances into the retailer shall be locked at all times with entry strictly controlled. A "buzz-in" electronic / mechanical entry system shall be utilized to limit access, to limit entry, and to separate the retail sale areas from a reception / lobby / check-in area.
- E. Retailers may have only that quantity of cannabis and cannabis products readily available for sale on-site in the retail sales area of the retailer reasonably anticipated to meet the daily demand.

- F. All restroom facilities shall remain locked and under the control of managers onsite.
- G. A retailer shall notify customers (verbally or by written agreement) and by posting of a notice or notices conspicuously in at least 15-point type within the permitted premises that state as follows:
 - 1. "The sale or diversion of cannabis or cannabis products without a license issued by the City of El Monte is a violation of State law and the El Monte Municipal Code."
 - 2. "Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a licensee is a crime and can lead to arrest."
 - 3. "Customers must not loiter in or near these premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance."
 - 4. "WARNING: The use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery."
 - 5. "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer."

5.18.280 - Additional operating requirements for delivery.

- A. Delivery shall comply with State law at all times.
- B. Security plans developed pursuant to this Chapter 5.18 shall include provisions relating to vehicle security and the protection of employees and product during loading and in transit.
- C. A retailer shall facilitate the delivery of cannabis or cannabis products with a technology platform owned by or licensed to the delivery-only retailer that uses point-of-sale technology to track and database technology to record and store the following information for each transaction involving the exchange of cannabis or cannabis products between the retailer and customer:
 - 1. The identity of the individual dispensing cannabis or cannabis products on behalf of the licensee;
 - 2. The identity of the customer receiving cannabis or cannabis products from the licensee;
 - 3. The type and quantity of cannabis or cannabis products dispensed and received;
 - 4. The gross receipts charged by the licensee and received by the individual dispensing cannabis or cannabis products on behalf of the licensee for the cannabis or cannabis products dispensed and received; and
 - 5. The location or address where the sale or retail sale took place or closed.

- D. A licensee shall maintain a database and provide a list of the individuals and vehicles authorized to conduct delivery, and a copy of the valid State driver's license issued to the driver of any such vehicle on behalf of the retailer to the Chief of Police or designee(s).
- E. Individuals making deliveries of cannabis or cannabis products on behalf of the retailer shall maintain a physical copy of the delivery request (and invoice) and shall make it available upon the request of agents or employees of the City requesting documentation.
- F. During delivery, a copy of the licensee's commercial cannabis business license and State license shall be in the vehicle at all times, and the driver shall make it available upon the request of agents or employees of the City requesting documentation.
- G. A retailer shall only permit or allow delivery of cannabis or cannabis products in a vehicle that is (i) insured at or above the legal requirement in the State; (ii) capable of securing (locking) the cannabis or cannabis products during transportation; (iii) capable of being temperature controlled if perishable cannabis or cannabis products is being transported; and (iv) does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis delivery or affiliated with a retailer.
- H. A retailer shall facilitate deliveries with a technology platform owned by or licensed to the retailer that uses global positioning system technology to track, and database technology to record and store the following information:
 - 1. The time that the individual conducting delivery on behalf of the retailer departed the licensed premises.
 - 2. The time that the individual conducting delivery on behalf of the retailer completed delivery to the customer.
 - 3. The time that the individual conducting delivery on behalf of the retailer returned to the licensed premises.
 - 4. The route the individual conducting delivery on behalf of the retailer traveled between departing and returning to the licensed premises to conduct delivery.
 - 5. For each individual delivery transaction, the identity of the individual conducting deliveries on behalf of the retailer.
 - 6. For each individual delivery transaction, the vehicle used to conduct delivery on behalf of the retailer.
 - 7. For each individual delivery transaction, the identity of the customer receiving cannabis or cannabis products from the retailer.
 - 8. For each individual delivery transaction, the type and quantity of cannabis or cannabis products dispensed and received.
 - 9. For each individual delivery transaction, the gross receipts charged by the retailer and received by the individual conducting deliveries on behalf of the retailer for the cannabis or cannabis products dispensed and received.

- I. The individual making deliveries on behalf of the retailer shall personally verify for each individual delivery transaction the identity of the customer receiving cannabis or cannabis products from the retailer and (a) for medicinal cannabis or medicinal cannabis products to a qualified patient, the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and obtain verification from the recommending physician that the person requesting medicinal cannabis or medicinal cannabis products is a qualified patient, and shall maintain a copy of the physician recommendation or identification card as described in Sections 11362.71 through 11362.77 of State Health & Safety Code, as may be amended from time to time, on site for period of not less than seven (7) years or (b) for cannabis or cannabis products to an adult-use customer, age and all necessary documentation of each customer to ensure the customer is not under the age of twenty-one (21) years.

5.18.290 - Additional operating requirements for microbusinesses.

- A. Microbusinesses and the operation thereof shall comply with State law at all times.
- B. Microbusinesses shall comply with the additional operating requirements contained in this Chapter 5.18 for the types of commercial cannabis activity in which the microbusiness is engaged (or proposes to engage). For example, microbusinesses engaged in cultivation shall comply with the additional operating requirements for cultivation sites under Section 5.18.230.

5.18.300 - Promulgation of regulations, standards, and other legal duties.

- A. Consistent with this Chapter 5.18 (and in particular not to repeal or constructively repeal this Chapter 5.18), in addition to any regulations adopted under State law, the City Manager or designee(s) is authorized to establish any additional rules, regulations, and standards governing the issuance, denial or renewal of commercial cannabis business licenses, the ongoing operation of cannabis businesses, and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this Chapter 5.18.
- B. Regulations shall be published on the City's website.
- C. Regulations promulgated by the City Manager shall become effective upon date of publication. Cannabis businesses shall be required to comply with all State and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager or designee(s).
- D. Testing labs and distribution facilities shall be subject to State law and shall be subject to additional regulations as determined from time to time as more regulations are developed pursuant to this Chapter 5.18.

5.18.310 - Community relations.

- A. Each cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the cannabis business can be provided. Each cannabis business shall also provide the above information to all businesses and residences, in the City, located within one hundred and

fifty (150) feet of the cannabis business. Such community relations contact shall respond to any complaints within forty-eight (48) hours of receipt of such complaints.

- B. During the first year of operation pursuant to this Chapter 5.18, the owner(s), manager(s), and community relations representative from each cannabis business holding a commercial cannabis business license issued pursuant to this Chapter 5.18 shall attend a quarterly meeting with the City Manager or designee(s) and other interested parties as deemed appropriate by the City Manager or designee(s), to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter 5.18. After the first year of operation, the owner(s), manager(s), and community relations representative from each such cannabis business shall meet with the City Manager or designee(s) when and as requested by the City Manager or designee(s).
- C. Cannabis businesses to which a commercial cannabis business license is issued pursuant to this Chapter 5.18 shall develop and make available to youth organizations and educational institutions a public education plan that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

5.18.320 - Fees deemed debt to City.

The amount of any fee, cost, or charge imposed pursuant to this Chapter 5.18 shall be deemed a debt to the City that is recoverable via authorized processes as set forth in the City Municipal Code or available through any court of competent jurisdiction.

5.18.330 - Licensee, owner, and property owner responsible for violations.

Each licensee and each owner and each manager of the licensee (and each individual owner and each individual manager of an owner or manager of the licensee) shall be responsible for all violations of the laws of the State or of the regulations and/or the ordinances of the City occurring within the City or in or about the premises of the cannabis business, if committed by the licensee or any employee or agent of the licensee and whether or not said violations occur within the licensee, owner, or manager's presence.

5.18.340 - Inspection and enforcement.

- A. The City Manager, Chief of Police, or designee(s) charged with enforcing the provisions of the City Municipal Code, or any provision thereof, may enter the location of a cannabis business at any time, without notice, and inspect the location of any cannabis business as well as any recordings and records required to be maintained pursuant to this Chapter 5.18 or under applicable provisions of State law.
- B. It is unlawful for any person having responsibility over the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings, or other documents required to be maintained by a cannabis business under this Chapter 5.18 or under State or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis business under this Chapter 5.18 or under State or local law.

- C. The City Manager, Chief of Police, or designee(s) charged with enforcing the provisions of this Chapter 5.18 may enter the location of a cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the city shall be logged, recorded, and maintained in accordance with the City Police Department standards for evidence.

5.18.350 - Concurrent regulation with State.

It is the stated intent of this Chapter 5.18 to regulate commercial cannabis activity in the City concurrently with the State.

5.18.360 - Violations declared a public nuisance.

Each and every material violation of the provisions of this Chapter 5.18 is hereby deemed unlawful and a public nuisance.

5.18.370 - Each violation a separate offense.

Each and every violation of this Chapter 5.18 shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City Municipal Code. Additionally, as a nuisance per se, any material violation of this Chapter 5.18 shall be subject to injunctive relief, any commercial cannabis business license issued pursuant to this Chapter 5.18 being deemed null and void, disgorgement and payment to the City of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney's fees, and any other relief or remedy available at law or in equity. The City may also pursue any and all remedies and actions available and applicable under State and local laws for any violations committed by the cannabis business or persons related to, or associated with, the commercial cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the City Manager, Chief of Police, or designee(s), may take immediate action to temporarily suspend a commercial cannabis business license issued by the City, pending a hearing before the City Council.

5.18.380 - Criminal penalties.

Each and every material violation of the provisions of this Chapter 5.18 may be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000.00) or imprisonment in the County jail for a period of not more than six (6) months, or by both such fine and imprisonment. Each day a material violation is committed or permitted to continue shall constitute a separate offense.

5.18.390 - Remedies cumulative and not exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided by law.

SECTION 5. Section 17.24.040 (Conditionally Permitted Uses in Specified Zones) of Chapter 17.24 (Conditional Use Permits) of Title 17 (Zoning) of the City Municipal Code is hereby amended by repealing Subsection 37 as follows (with such Section 17.24.040 appropriately renumbered in sequence):

~~37. Medicinal commercial cannabis activities (cultivation, distribution, manufacturing, and laboratory testing), as permitted with City Council approval pursuant to Chapter 5.18 of this Code, in the portions of the M-1 (Light manufacturing), M-2 (General Manufacturing), C-3 (General Commercial), and O-P (Professional Office) zones, which are illustrated in Exhibit "A" to City Council Ordinance No. 2924. No such activity shall occur on a premises located within an eight hundred (800) foot radius of a public or private school (kindergarten through grade 12), day care center, or youth center, that is in existence at the time the permit is issued. The distance specified in this section shall be measured in the same manner as provided in subdivision (c) of Section 11362.768 of the Health and Safety Code unless otherwise provided by law. No conditional use permit for such activity shall be valid without an accompanying and complementary development agreement entered into between the city and applicant, or designee, adopted in accordance with Chapter 17.84 and setting forth the terms and conditions under which the medicinal cannabis facility will operate, including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety and welfare. Notice for conditional use permits for commercial cannabis activities, as set forth in Section 17.24.020.D.2, shall be expanded to five hundred (500) feet. Except as provided herein in Section 17.24.040 and Chapter 5.18, all commercial cannabis activities are prohibited throughout the city;~~

SECTION 6. Section 17.81.010 (Adoption) of Chapter 17.81 (SP-4 (Downtown Transit-Oriented District Specific Plan)) of Title 17 (Zoning) of the City Municipal Code is hereby amended by the addition of a new Subsection C (or as appropriately lettered in sequence with such Section 17.81.010):

- C. Commercial cannabis retailers licensed under and in compliance with any location requirements under Chapter 5.18 shall be permitted and regulated under the El Monte Downtown Transit-Oriented Development Specific Plan in the form of the draft text of the specific plan as submitted to the City Council on April 4, 2017, as a "Retail Store (without alcohol)".

SECTION 7. Section 17.48.010 (Uses Permitted) of Chapter 17.48 (C-O Zone) of Title 17 (Zoning) of the City Municipal Code is hereby amended by the addition of the following uses to be set forth as new Subsections 12 and 13 (or as appropriately numbered in sequence with such Section 17.48.010):

- 12. Commercial cannabis retailers licensed under and in compliance with any location requirements under Chapter 5.18; and
- 13. Commercial cannabis testing laboratories licensed under and in compliance with any location requirements under Chapter 5.18.

SECTION 8. Subsection 2 of Section 17.45.020 (Uses Permitted) of Chapter 17.45 (Mixed/Multiuse Zone) of Title 17 (Zoning) of the City Municipal Code is hereby amended to read as follows:

- 2. Any use permitted in the C-1, C-2, and C-O zone except commercial cannabis testing laboratories;

SECTION 9. Subsection A of Section 17.54.010 (Uses) of Chapter 17.54 (C-3 Zone) of Title 17 (Zoning) of the City Municipal Code is hereby amended by the addition of the following uses to be set forth as new Subsections 17, 18, 19, and 20 (or as appropriately numbered in sequence with such Section 17.54.010):

17. Commercial cannabis cultivation sites licensed under and in compliance with any location requirements under Chapter 5.18 (limited to East Valley Entryway Area overlay in Exhibit A of City Ordinance No. 2924);
18. Commercial cannabis manufacturing sites licensed under and in compliance with any location requirements under Chapter 5.18 (limited to East Valley Entryway Area overlay in Exhibit A of City Ordinance No. 2924);
19. Commercial cannabis distributors licensed under and in compliance with any location requirements under Chapter 5.18 (limited to East Valley Entryway Area overlay in Exhibit A of City Ordinance No. 2924); and
20. Commercial cannabis microbusinesses licensed under and in compliance with any location requirements under Chapter 5.18 (limited to East Valley Entryway Area overlay in Exhibit A of City Ordinance No. 2924).

SECTION 10. Subsection 1 of Section 17.56.010 (Uses Permitted) of Chapter 17.56 (C-4 Zone) of Title 17 (Zoning) of the City Municipal Code is hereby amended to read as follows:

1. Any use permitted in the C-3 zone except commercial cannabis cultivation sites, commercial cannabis manufacturing sites, commercial cannabis distributors, and commercial cannabis microbusinesses;

SECTION 11. Section 17.58.010 (Uses Permitted) of Chapter 17.58 (M-1 Zone) of Title 17 (Zoning) of the City Municipal Code is hereby amended by the addition of the following uses to be set forth as new Subsections 107, 108, 109, and 110 (or as appropriately numbered in sequence with such Section 17.58.010):

17. Commercial cannabis cultivation sites licensed under and in compliance with any location requirements under Chapter 5.18;
18. Commercial cannabis manufacturing sites licensed under and in compliance with any location requirements under Chapter 5.18;
19. Commercial cannabis distributors licensed under and in compliance with any location requirements under Chapter 5.18; and
20. Commercial cannabis microbusinesses licensed under and in compliance with any location requirements under Chapter 5.18.

SECTION 12. Categorically Exempt From CEQA. The People of the City find that the actions contemplated by the El Monte Cannabis Regulation and Public Safety Measure, including the issuance of commercial cannabis business licenses, are categorically exempt from the California Environmental Quality Act (“CEQA”) under Section 15060(c)(2) and Section 15060(c)(3) of Title 14 of the State Code of Regulations and the holding by the California Supreme Court in *Tuolumne Jobs & Small Business Alliance v. Superior Court* (2014) 59 Cal.4th 1029.

Further, the People of the City find that pursuant to Section of Chapter 5.18 of the City Municipal Code as codified by this El Monte Cannabis Regulation and Public Safety Measure, commercial cannabis activity is a use permitted by right in certain zoning districts within the City. As permitted in those zoning districts, commercial cannabis activity is similar to already existing permitted general uses in those zoning districts with the only difference being the type of product cultivated, manufactured, distributed, processed, stored, tested, packaged, labeled, transported, delivered, or sold.

SECTION 13. Conflicting Measures. The People of the City find and declare that the provisions of the El Monte Cannabis Regulation and Public Safety Measure relating to the regulation of commercial cannabis activity in the City of El Monte, may conflict with one or more provisions of other initiative measures. It is the intent of the People that if the El Monte Cannabis Regulation and Public Safety Measure receives a greater number of affirmative votes than a conflicting measure at the same election, this El Monte Cannabis Regulation and Public Safety Measure shall prevail in its entirety over a conflicting measure.

SECTION 14. Severability. If any provision, section, paragraph, sentence, phrase or word of the El Monte Cannabis Regulation and Public Safety Measure is rendered or declared invalid, illegal, or unconstitutional by any final action in a court of competent jurisdiction or by reason or any preemptive legislation, such unconstitutionality illegality or invalidity shall only affect such provision, section, paragraph, sentence, phrase or word and shall not affect or impair any remaining provisions, sections, paragraphs, sentences, phrases or words, or the application of the El Monte Cannabis Regulation and Public Safety Measure to any other person or circumstance, and to that end, the provisions hereof are severable. It is hereby declared to be the intention of the People of the City that that the El Monte Cannabis Regulation and Public Safety Measure would have been adopted had such unconstitutional illegal or invalid provision, section, paragraph, sentence, phrase, or word not been included herein.

SECTION 15. Liberal Construction. The El Monte Cannabis Regulation and Public Safety Measure is an exercise of the initiative power of the People of the El Monte to provide for safe and regulated access to cannabis and cannabis products, and shall be liberally construed to effectuate that purpose.

SECTION 16. Legal Defense. If approved by a simple majority of voters, and thereafter challenged in court of competent jurisdiction, the City of El Monte shall defend the El Monte Cannabis Regulation and Public Safety Measure in such court of competent jurisdiction. The People of the City of El Monte, by approving this Measure by a simple majority of voters, hereby declare that the proponent(s) of the El Monte Cannabis Regulation and Public Safety Measure have a direct and personal stake in defending the Measure from constitutional or statutory challenges to the Measure's validity or implementation. In the event the City of El Monte fails to defend the El Monte Cannabis Regulation and Public Safety Measure, or the City of El Monte fails to appeal an adverse judgment against this Measure, in whole or in part, in any court of competent jurisdiction, the Measure's proponent(s) shall be entitled to assert his, her, or their direct personal stake by defending the Measure's validity and implementation in any court of competent jurisdiction and shall be empowered by the People through this Measure to act as agents of the People of the City of El Monte, and the City of El Monte shall indemnify the proponent(s) for reasonable attorneys' fees.

SECTION 17. Effective Date. The El Monte Cannabis Regulation and Public Safety Measure shall be in full force and effect upon the tenth day following certification by the City

Council of the election returns indicating passage of the El Monte Cannabis Regulation and Public Safety Measure by a majority of the voters casting votes on the Measure.