



# PHASE 1: C4 Recommendations

## **Interim Cultivation Ordinance**

Use the existing ordinance language and change the following:

1. Eliminate the 99 plant limit
2. Remove: Has to transfer product only to medical cannabis business defined in 7.124 (SCC dispensary)
3. Place the licensing structure on the existing 1000, 2000, 3000 square foot guidelines with the application for licensing to not occur before May 1, 2016. (Please note: this is only a placeholder for MMRSA, not meant to issue these licenses)
4. Add definition of "sensitive use" areas and add restrictions for these areas (see below)
5. Non-compliance of cultivation sites should follow civil procedures.

## **Specific Guidelines for the Cultivation Ordinance**

1. Create an oversight Cannabis Commission for Santa Cruz County with representation from diverse constituencies (public health, planning, neighborhood groups, cannabis industry, etc.)
2. Define "sensitive use" areas as the following, but not limited to, the sandhills area, riparian habitat, northern maritime chaparral, and dense neighborhoods in zoned areas other than Residential. Allow the SC cannabis commission to amend and adjust the "sensitive use" area as needed. Can be further defined by C4 during Phase 3.
3. Registration of prospective cannabis businesses that would like to obtain a license for any cannabis-related operation in Santa Cruz County could register beginning on January 4, 2016. The registration will include: length of residency in Santa Cruz county, size of parcel, size of cannabis site, zoning, location and type of cannabis activity requested for a license. The C4 committee will keep the registration data confidential, and anonymity will be respected. The final data will be used for the C4 to make detailed recommendations during phase 2 & 3.
4. Allow all cannabis license holders to operate and distribute throughout the state of CA
5. Require employees that are 18-21 years old to complete a training and educational program (TBD by the SC commission.)
6. Encourage and/or incentivize use of existing greenhouses (TBD by C4 during Phase 2)
7. Require herbicide and pesticide testing for commercially derived products; following state law guidelines
8. Require a notarized authorization from landowners for all tenant farmer commercial cultivation
9. C4 will discuss other license types other than cultivation in Phase 3, such as breeding, manufacturing, dispensary, distribution and delivery services.
10. Allow some vertical integration for small entities that dispense, manufacture and cultivate but follow MMRSA guidelines to limit the maximum cultivation size per entity.
11. Allow the license location to be transferrable to an approved site and transferrable by the owner.



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## Specific Guidelines for the Cultivation Ordinance (cont.)

12. If an applicant is cooperating to become compliant during the licensing process, allow the applicants to continue to cultivate during the process if there are no urgent health and safety risks related to the cultivation site. Further recommendation is TBD by the C4 during Phase 2.
13. Require third party certification, any necessary permits with applicable agencies, and a reasonable security plan in order to obtain licensing.
14. Impose a tiered civil penalty structure for non-compliance with option of license revocation for multiple citations for non-compliance, using law enforcement as a last resort.
15. Declare and define public nuisance violations (TBD by C4 during Phase 2)
16. Determine whether larger cultivation sites need a Conditional Use Permit (TBD by C4 during Phase 2)
17. Establish a tiered license fee structure that covers the cost of industry education, monitoring and enforcement, to ensure compliance with ordinance provisions
18. Enforce underage furnishing laws, focusing on adult suppliers
19. 600 ft. from school or park, or other sensitive sites TBD by C4 during Phase 2
20. Prohibit commercial cultivation in sensitive habitat areas, including sandhills, riparian corridors, and northern maritime chaparral. (SC cannabis commission to adjust or amend as needed)
21. Enhance riparian protection regulations or commercial operations; 100' for perennial streams, 50' intermittent streams, and 25' ephemeral drainage
22. Follow current laws and agricultural guidelines for water use. For larger cultivation sites, the SC cannabis commission can order a case-by-case review, and water may be required to be purchased from an outside source.
23. Special consideration for indoor and greenhouse grows TBD by C4 during Phase 2
24. Encourage and incentivize organic cultivation of commercial cannabis cultivation (TBD by C4 during Phase 2)
25. Require Santa Cruz county residency for all commercial cultivation operations (details to be confirmed by C4 during Phase 2)
26. Dedication of tax revenue on cannabis sales to cannabis commission, cannabis regulatory program development, civil regulatory enforcement, youth and community programs, environmental and neighborhood projects, and mitigation of problem grow sites.



# PHASE 1: C4 Recommendations

## LICENSING

### **Artisan Cultivation Tier:**

- ZONING: A, CA, RA, SU
- MINIMUM 1 ACRE PARCEL
- 500 SQ. FT. (MICRO TIER)
- Current setbacks ok
- Must comply with state law

### **Grandfathering:**

- ALL Zones considered except for Residential
- MINIMUM 1 ACRE PARCEL
- 1 ACRE, MAX. 500 SQ. FT. (MICRO TIER)
- 2 ACRES, MAX. 1,000 SQ. FT.
- 3 ACRES, MAX. 1,500 SQ. FT.
- 4 ACRES, MAX. 2,000 SQ. FT.
- 5 ACRES, MAX. 2,500 SQ. FT.
- 5-10 ACRE PARCEL, MAX. 5K SQ.FEET
- 10-20 ACRE PARCEL, MAX. 10K SQ.FEET
- Applicant must prove at least one year residency prior to application (i.e. satellite photos, PG&E, etc. and details TBD in Phase 2 of C4)
- MAX. canopy size up to 10K SQ. FT.
- Generous exceptions allowed, TBD by C4 during Phase 2
- 2 year grace period to come into compliance
- Commission should determine eligibility
- Other special conditions are TBD during Phase 2 of the C4 process

### **Commercial Cultivation Tiers:**

- AGRICULTURE LAND: A, CA, RA
- MINIMUM 5 ACRE PARCEL
- 5-10 ACRE PARCEL, MAX. 5K SQ.FEET
- 10-20 ACRE PARCEL, MAX. 10K SQ.FEET
- 20-40 ACRE PARCEL, MAX. 22K SQ. FEET
- 40+ ACRE PARCEL, MAX. 44K SQ. FEET
- BUFFERS DETERMINED BY AG INDUSTRY REGS
- Must comply with state laws
- Special conditions are TBD during Phase 2 of the C4 process.



# PHASE 1: C4 Recommendations

## Oversight Cannabis Commission

Commission handles the following responsibilities:

1. Intake of complaints, decides to escalate valid complaints to code compliance or necessary agency. Law enforcement should be the last resort. Complaint platform online and/or phone line to be provided by the commission.
2. Coordinates with other organizations and agencies to create a list of approved training, third party certifiers, and educational programs.
3. The commission oversees the ordinance's implementation and disbursement of revenue from licensing and taxation of businesses related to cannabis.
4. Commission maintains the definition of "sensitive use" areas by allowing flexibility for changes as they arise.
5. Establish and approve an effective track and trace program
6. Work with state agencies on environmental pilots at designated sensitive habitat areas
7. Explore partnership with RCD (Resource Conservation District) and SC County Community Prevention Partners
8. The commission oversees the ordinance's implementation and application process for licensing of businesses related to cannabis and will create a clear pathway to compliance.
9. Establishes a working relationship with any county agencies (Planning, etc) needed to complete license applications.
10. Will establish training, education, and certification requirements for all licenses, including a special training and educational program for 18-21 year old employees.
11. License fee to pay to support the commission
12. Incentivize participation through the establishment of "Farmer's market, CSA, and cooperative model" TBD by commission
13. Establish a clear pathway to compliance through a well-defined step-by-step application process:
  - Step 1 of the application process is handled by the commission where the applicant turns in an initial application and gets approval by the commission
  - Step 2: based on the first review of location, size, and minimal criteria. This eliminates the possibility of the applicant paying thousands of dollars for permits or to a third party certifier when the applicant or the property doesn't even qualify on the most basic requirements needed.
  - Step 3: the applicant receives a checklist of items to provide for further review.
  - Step 4: can be either more items requested or a final review for approval.

# PROPOSAL FOR THE C4 RECOMMENDATION PROCESS

## PHASE 1

- C4 provides recommendations for the interim cultivation ordinance (see attached)
- C4 requests an extension to complete phase 2 & 3
- C4 recommends a registration process for prospective licensees to request the size, type and location for cultivation, manufacturing, or delivery service.
- C4 recommends that the county create an oversight commission for cannabis licenses (see attached)
- C4 provides specific guidelines for the cultivation ordinance (see attached)



## PHASE 2

- Registration for all prospective licensees begins Jan 4, 2016
- C4 processes hard data from the registration on cultivators regarding the "wheres" and "hows" in order to refine recommendations based on facts
- C4 completes recommendations for the final cultivation ordinance



## PHASE 3

- C4 processes hard data on prospective manufacturing, dispensaries, and delivery licensees who registered in January.
- C4 provides recs for manufacturing licensing in SC County
- C4 provides recs for dispensary licensing in SC County
- C4 provides recs for delivery service licensing in SC County