



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Edgardo Garcia

SUBJECT: SEE BELOW

DATE: April 22, 2020

Approved /s/
Kim Walesh

Date 4/22/2020

INFORMATION

SUBJECT: CITY COUNCIL POLICY PRIORITY #7: REVIEW OF CANNABIS LAND USE AND REGULATORY PROVISIONS

Due to the countywide shelter-in-place order as a result of the novel coronavirus (COVID-19), the March 23, 2020 Community and Economic Development (CED) Committee was canceled. This report was intended for the CED Committee meeting and is being issued as an information memo instead. The Review of Cannabis Land Use and Regulatory Provisions (City Council Policy Priority #7), as well as City Council directed cannabis policy items, including assessing allowing current cannabis businesses to open a second location, assessing modifying the audit requirement for cannabis businesses, and reporting back on cannabis manufacturing, distribution and testing business registration are presented here for your review.

BACKGROUND

Existing Regulatory Program

On June 17, 2014, the City Council approved a Medical Marijuana Regulatory Program (“Program”) to regulate the cultivation, manufacturing and dispensing of medical marijuana in the City of San José which went into effect on July 18, 2014. Additionally, the City Manager has promulgated regulations for administering the Program. December 18, 2015 marked the City’s deadline for San José collectives to obtain Registration. By the deadline, 16 medical marijuana collectives were registered in San José. Since that time, the City has not accepted new applications for retail storefront, retail non-storefront (delivery only) and cultivation, and only Council action can re-open the registration period.

On November 8, 2016, California voters approved Proposition 64, the Adult Use of Marijuana Act which legalized the adult use (or non-medical use) of marijuana by individuals age 21 and older. On November 14, 2017, the City Council approved allowing the City’s 16 registered

collectives to conduct non-medical cannabis activities. In January 2018, the State began issuing licenses to medical and non-medical cannabis dispensaries, cultivators, manufacturers, distributors, transporters, and testing laboratories. To obtain a state license, the applicant must first have a local permit, license, or other authorization.

Title 6 of the San José Municipal Code limits the number of locations at which a cannabis business may operate. All cannabis businesses are limited to having no more than three locations in the city and may dispense or deliver cannabis from only one of those locations. At this time, only two have a second location (for cultivation), and none have a third location.

Title 20 of the Municipal Code (the Zoning Code) limits where cannabis related uses may locate. As part of the regulatory ordinance approved in June 2014, the City Council established a set of location criteria that were used in the initial registration process through which the existing 16 businesses were approved. These criteria are described in detail in column 1 of Attachment A. On January 15, 2019, the City Council approved changes to the regulatory program allowing new businesses to apply for registration for cannabis manufacturing, distribution and testing including a new set of location criteria. These criteria are described in detail in column 3 of Attachment A.

Prior to receiving a Notice of Completed Registration, cannabis businesses are required to obtain a Zoning Code Verification Certificate (“Certificate”) from the Department of Planning, Building and Code Enforcement. The Certificate is non-transferable to a different location; each location needs its own Certificate to determine the site met the Zoning Code provisions at the time of issuance.

City Council Direction

As mentioned above, on January 15, 2019, the City Council considered an item regarding the establishment of manufacturing, laboratory testing and distribution categories of regulated cannabis businesses. Multiple councilmembers issued memorandums under this item recommending additional work on cannabis regulation, including memorandums from Councilmembers Peralez and Carrasco, Councilmember Esparza, and Councilmember Diep.¹ The City Council approved some of the recommendations in these memos, and referred others to the 2019 Council priority setting session.

The City Council conducted priority setting on March 5, 2019.² At this meeting, the City Council prioritized two items related to cannabis: Priority #11 (due to the February 25, 2020 update, it is now #7): Review of Cannabis Land Use and Regulatory Provisions and Priority #13

¹ January 15, 2019 Council Meeting, Item 4.1

<https://sanjose.legistar.com/LegislationDetail.aspx?ID=3787065&GUID=5CA18B4F-65EA-4F7D-820A-E57EBBC18561&Options=&Search=>

² March 5, 2019 Council Meeting, Item 3.3

<https://sanjose.legistar.com/LegislationDetail.aspx?ID=3865380&GUID=FAC8B6D6-B599-47C3-9E17-F28983DA140A&Options=ID|Textl&Search=priority+setting>

(due to the February 25, 2020 update, it is now #9), Cannabis Equity Applicant Program. Priority #7 combined direction from the January 15, 2019 City Council memorandums with a separate priority nomination submitted by Councilmember Foley to comprise a comprehensive review of the current cannabis regulatory program. This memorandum provides an update on staff's progress on Priority #7 and Council directions related to cannabis. The two tables below summarize the direction included within those two categories.

Table 1: Council Priority #7 - Review of Cannabis Land Use and Regulatory Provisions

Direction	Source of Direction
Evaluate Title 20 as it pertains to the cannabis industry, and the feasibility of increasing the amount of available cannabis licenses to allow qualifying dispensary operators to expand or for entrepreneurs to open new businesses.	Foley Policy Priority Nomination (Item 3.3 on 3/5/2019 City Council Meeting)
Assess allowing the sale of individual licenses and businesses.	2c in Peralez/Carrasco Memo (Item 4.1 on 1/15/2019 Meeting)
Assess expanding cannabis business access to "black out" areas in North and South San José for all cannabis uses, not only manufacturing, distribution and testing.	2d in Peralez/Carrasco Memo (Item 4.1 on 1/15/2019 Meeting)
Assess creating an equity applicant program as outlined by the State of California in SB 1294. <i>(Only the land use aspects of an equity program are included in Priority #7)</i>	2h in Peralez/Carrasco Memo (Item 4.1 on 1/15/2019 Meeting)
Present options for the implementation of a cap on the number of retail Cannabis Collectives/Businesses in Council District 7.	2c in Esparza Memo (Item 4.1 on 1/15/2019 Meeting)
Assess whether to allow delivery-only dispensaries.	Page 4 of Staff Supplemental dated 3/4/2019 (Item 3.3 on 3/5/2019 Meeting)

Table 2: City Council Direction Related to Cannabis

Direction	Source of Direction
Assess monitoring of the retail tax rate to stay competitive and taking into consideration cannabis business growth and risk assessment.	2a in Peralez/Carrasco Memo (Item 4.1 on 1/15/2019 Meeting)
Assess allowing the current 16 cannabis businesses to open a second location.	2b in Peralez/Carrasco Memo (Item 4.1 on 1/15/2019 Meeting)
Assess changing the audit requirement from mandatory to random audits on varying years or as a punitive action.	2e in Peralez/Carrasco Memo (Item 4.1 on 1/15/2019 Meeting)
Assess the impact of cannabis waste and revise for a more stringent cannabis disposal policy.	2f in Peralez/Carrasco Memo (Item 4.1 on 1/15/2019 Meeting)
Report back to the Community and Economic Development Committee in winter 2020 on how many cannabis manufacturing, distribution, and testing business permits have been issued, any problems arising from the industry, and potential improvements to the policy recommendations made today.	1 in Diep Memo (Item 4.1 on 1/15/2019 Meeting)

ANALYSIS

This memorandum provides an update on the status of Council Priority #7, an update on Council directions related to cannabis, identifies concerns, and outlines next steps.

Council Priority #7 – Review of Cannabis Land Use and Regulatory Provisions

Council Priority #7 includes broad direction to reevaluate the City's cannabis regulations based on Councilmember Foley's 2019 priority setting nomination, as well as specific direction on individual features of the regulatory program based on proposals made in memorandums from councilmembers. Staff is considering all this direction together as part of the work on Council Priority #7 and is also including Council direction to assess allowing the current 16 cannabis businesses to open a second location as part of this effort.

Staff has developed a draft policy proposal with the goal of expanding opportunities for cannabis businesses in San Jose, consistent with the direction in Council Priority #7. That draft proposal is described below: 1) revised land use rules to govern the location of new cannabis retail storefront and non-storefront (delivery only) sites, 2) categories of applicants, and 3) application acceptance plan for allowing businesses in those new sites. This is a draft proposal staff is using to solicit feedback through outreach and may be revised prior to a final proposal being brought forward to the full City Council.

Retail Storefront Land Use

Staff has evaluated the existing Title 20 rules governing where retail storefront and non-storefront (delivery only) businesses can locate as outlined in Attachment A. Column 1 details where the existing 16 retail storefront sites can locate. Column 2 shows staff's draft proposal for revised location criteria. Column 3 details where cannabis manufacturing, distribution and testing laboratory businesses can locate. Column 4 shows staff's proposal for retail non-storefront (delivery only) site criteria which are based on the existing criteria for cannabis distribution businesses the Council approved in January 2019. Key elements of staff's draft proposal are as follows:

- **Zoning Districts:** Through review of cannabis zoning regulations in other cities, staff has found many cities, including San Diego, San Francisco, Oakland and Los Angeles, allow cannabis retail storefront uses in commercial zoning districts. When adopting the initial regulatory program in 2014, the City Council mandated vertical integration. Vertical integration required cannabis businesses to conduct all aspects of the cannabis supply chain (cultivation, manufacturing, distribution, sales, etc.) at one location. This resulted in all storefronts being in industrial zones which is not typical for retail stores.

Since the City has a robust regulatory program to oversee legal cannabis businesses, staff believes there are advantages to allowing retail storefronts to open in commercial areas. Cannabis retail storefronts operate similarly to other retail businesses; they are visited by

customers throughout the day and need adequate parking to support high volume activity. Industrial sites are not well suited to accommodate high traffic flow. Consequently, staff's draft proposal would allow cannabis retail storefronts to locate in commercial districts where retail uses are appropriate.

- **Excluded Areas³:** Under the existing location criteria, cannabis retail storefronts are excluded from the North San José Area Development Policy Boundary, the Edenvale Area Development Policy Boundary and the International Business Park Boundary. The purpose of this exclusion was to prevent cannabis businesses, due to the vertical integration requirement, from affecting other businesses located within industrial zoning districts in these areas and to reserve space for technology businesses. Staff believes it is appropriate to eliminate these exclusions since vertical integration is no longer required. Staff is proposing to prohibit new cannabis retail storefronts from opening in police beats with crime reports 20% above the average of reported crimes.
- **Sensitive Use Setbacks:** Existing regulations require a setback between a business and various sensitive uses. These existing setbacks range from 50 ft. to 1,000 ft. across a range of uses. The State of California has its own minimum setbacks; State law requires a minimum setback of 600 ft. from K-12 schools, day care centers, or youth centers. Staff is not proposing to align the City's setback distances for these three uses with the State rules. Staff believes further setback distances from those areas are preferred and recommends maintaining the 1,000 ft. setbacks as shown in Attachment A. Staff is conducting additional analysis to determine if the proposed distance requirements to sensitive uses will preclude cannabis businesses from locating in the downtown core, given the density of uses within that area. This analysis will be included in staff's final recommendation to the Council.
- **Numerical Limit⁴:** Staff was asked to present options for the implementation of a cap on the number of retail Cannabis Collectives/Businesses in Council District 7. The current existing 16 retail storefronts are distributed between council districts as follows:

Table 3: Cannabis Retail Storefronts by Council District

Council District	Number of Retail Storefronts
District 3	4
District 4	2
District 7	9
District 10	1

³ This proposal responds to the direction regarding "blackout areas" included as part of Priority #7.

⁴ These options are in response to the direction regarding implementation of a cap on the number of retail cannabis businesses in Council District 7.

Currently, more cannabis businesses are in District 7 than the other districts combined. As discussed below, staff is proposing allowing a maximum of five new equity retail businesses. Staff looked at several options including creating a maximum number per Council district, not requiring a maximum number per district, or creating a maximum number in District 7 only. Staff believes the initial zoning requirements, which prioritized the industrial aspects of vertical integration (mainly cultivation and manufacturing) over retail uses, artificially concentrated cannabis retail operations in industrial areas in only a few Council districts. Staff believes expanding the zoning criteria to account for retail use in commercial areas citywide, along with a dispersion buffer, will lead to less concentration without the need for an arbitrary per-Council-district cap. Therefore, staff recommends not imposing any Council District limits at this time.

- **Dispersion:** Current regulations require a 50 ft. separation between cannabis businesses. Staff is proposing a 1,000 ft. separation requirement between new retail storefronts. Staff believes increased separation between storefronts will provide broader dispersion citywide, and will reduce conflicts arising when storefront operators compete directly for each other's customers (as has happened in the past), and could alleviate neighborhood concerns about overconcentration.

Using available GIS data, staff has estimated the proposed regulations would result in approximately 200 potentially compliant parcels for retail storefronts. It is important to note many of these sites are already occupied by tenants and may not be currently available for rent. A map of potential sites is included as Attachment B.

Retail Non-Storefront (Delivery Only) Land Use

Staff is proposing to allow delivery-only businesses. Delivery-only businesses would only be able to sell cannabis to customers via delivery and would not be open to the public. Consequently, staff believes delivery-only businesses are appropriate for industrial areas. Column 4 in Attachment A shows staff's proposal for delivery only business location criteria. These criteria are based on the existing criteria for cannabis distribution businesses which the Council approved in January 2019. Cannabis distribution criteria are displayed in Column 3 of Attachment A for comparison purposes. Cannabis delivery operations are similar to distribution operations which is why staff recommends these businesses be located in the same zoning areas.

Categories of Applicants

Based on the direction in Council Priority #7, staff has identified three categories of applicants the City may wish to consider allowing to apply for a new cannabis retail storefront or non-storefront (delivery only) location, as follows:

- 1) **Existing 16 Registered Cannabis Businesses:** The existing 16 businesses are currently limited to dispensing or delivering cannabis from one retail location. These businesses

are also allowed to cultivate, manufacture, and distribute cannabis. Staff recommendation is to allow the existing 16 businesses to move their current retail location to the expanded zoning areas while keeping the more industrial aspects of their business (cultivation, manufacturing and distribution) in their current location(s).

- 2) **New Equity Applicants:** As part of Council Priority #9, staff is in the process of developing a cannabis equity applicant program. Equity applicants are not able to apply in these retail categories since the City is not currently accepting applications for new retail businesses. The City is currently accepting applications to manufacture, distribute or test cannabis from any equity or non-equity applicant; staff is not proposing any changes in the application process for those three business types. Staff recommendation is to allow a maximum of five new equity applicants to register as a retail storefront or non-storefront business.
- 3) **New Non-Equity Applicants:** New non-equity applicants are also unable to currently apply for registration in these retail categories. The City is currently accepting applications to manufacture, distribute or test cannabis from any equity or non-equity applicant; staff is not proposing any changes in the application process for those three business types. Staff recommends waiting to allow non-equity retail businesses to register until after an analysis is completed on the effects of staff's recommendation of existing businesses moving their retail locations as well as after five new equity retail businesses are approved.

Application Acceptance Plan

As discussed in the land use sections above, staff is proposing to allow cannabis retail storefronts in some parts of the City where they are currently not allowed. Existing cannabis businesses would be allowed to move (not add) their current retail storefront to a new location, under the revised zoning rules discussed above. In addition, new equity applicants would be allowed to apply for a retail storefront or non-storefront (delivery only) location. As stated above, staff recommends limiting registration to a total of five new equity retail businesses. Under this proposal the number of retail storefront and delivery locations could expand from the current 16 to a maximum of 21.

As additional applications are received, additional staffing will be required to process, evaluate and inspect the potential new businesses. Also, when new equity retail businesses are registered, licensed by the State and fully operational, additional staff will be required on an on-going basis to monitor, inspect and ensure regulatory compliance of these new businesses. Limiting the application acceptance period, as was done in 2014 when the program began, will allow staff the opportunity to assess problems or respond to community concerns after a smaller number of new locations have been allowed, rather than discovering concerns after many new locations are operating. For these reasons, staff does not recommend an expansion of the program beyond the current proposal. Additionally, staff recommends the application acceptance period be set in the City Manager regulations with clear opening and closing dates along with reasonable deadlines

to ensure projects move towards completion in a timely fashion. Staff will continue to develop an application acceptance plan and will have a final proposal to present before the full Council.

The table below (Table 4) outlines staff’s registration recommendation.

Table 4: Draft Policy Proposal for New Cannabis Storefront and Delivery Registration

Policy Feature	Current Rules for Cannabis Retail	Relocation and New Equity Registrants
Who can apply?	Registration is closed	Existing businesses may relocate their retail operations Qualified Equity Applicants may apply
What kind of businesses are allowed to apply?	None	Retail Storefront and Delivery
How many new registrations are available?	0	5*
Total retail storefront and delivery locations allowed	16	21

*Relocations are not counted as new business registrations; only new equity applicants must remain within the cap.

City Council Direction

This section provides an update on the status of City Council direction related to cannabis.

1. Assess monitoring of the retail tax rate to stay competitive and taking into consideration cannabis business growth and risk assessment.

Cannabis Business Tax revenues are being monitored through the Bi-monthly Financial Report item at the Public Safety, Finance and Strategic Support Committee. The Mid-Year Budget Review Report is the most recent report approved by City Council and indicated Cannabis Business Tax revenues through December 2019 were 5.8% above prior year levels. The City Manager’s 2021-2025 Five-Year Forecast and Revenue Projections report (released on March 2, 2020), indicated the Cannabis Business Tax revenue will total \$17.0 million in Fiscal Year 2019-2020, which is 7.0% above the prior year collections. The Finance Department will continue to monitor the revenue and report to the Public Safety, Finance and Strategic Support Committee.

2. Assess allowing the current 16 cannabis businesses to open a second location.

This direction is being considered as part of work on Council Priority #7. As stated

above, staff recommendation is to allow the existing 16 businesses to move their current retail location to the expanded zoning areas. Staff recommends waiting to allow the existing 16 businesses to register for second retail locations until after an analysis is completed on the effects of existing businesses moving their retail locations as well as after new equity businesses are approved.

3. Assess changing the audit requirement from mandatory to random audits on varying years or as a punitive action.

Section 6.88.600 of the Municipal Code was updated in January 2019 allowing cannabis businesses to switch between audits (more in-depth evaluation that provides reasonable assurance) and reviews (provides limited assurance) once they receive (and maintain) an unqualified opinion on their financial operations. This amendment provides cannabis businesses a less costly option for external audit services while maintaining controls around financial operations.

4. Assess the impact of cannabis waste and revise for a more stringent cannabis disposal policy.

The current version of the City Manager Regulations for Medical and Non-Medical Cannabis include requirements specifying how cannabis waste must be disposed. Those requirements are attached as Attachment C. Staff believes the existing cannabis waste regulations adequately address this issue.

5. Report back to the Community and Economic Development Committee in winter 2020 on how many cannabis manufacturing, distribution, and testing business permits have been issued, any problems arising from the industry, and potential improvements to the policy recommendations made today.

Staff has received inquiries from approximately 20 potential manufacturing, distribution or testing businesses. Only 4 applications have been received (3 for manufacturing and distribution, and 1 for testing); of those, only 3 (manufacturing and distribution) have paid the required application fee and are currently under review.

Concerns

The Police Department does have concerns with increasing the number of cannabis retail locations including youth access, driving under the influence and regulatory capacity.

Youth Access: Other states have seen increases in youth experimentation and use of cannabis following legalization of adult-use cannabis. The California Department of Public Health launched its “Let’s Talk Cannabis” public education campaign with information for youth, parents, and mentors, as well as information about responsible use of cannabis, including pregnancy and breastfeeding. The Department is concerned youth may be more interested in

trying cannabis as retail stores are located in more public facing areas rather than in industrial areas. The Department is concerned more stores and highly visible areas will contribute to adolescent's reduced perception of cannabis' harmfulness. It remains to be seen how much public education will be done at the local level; staff will monitor what the State is doing and report back to Council.

Driving Under the Influence: The Department has concerns about increased locations and access leading to an increase in drivers operating a vehicle under the influence of cannabis. The State is funding research on this issue statewide. Field sobriety tests can be conducted to determine impairment; the precise level of THC in blood correlating to impairment has not been scientifically established. Staff will monitor development of statewide efforts in this area.

Local Regulatory Capacity: The Police Department's Division of Cannabis Regulation is currently staffed to provide regulatory oversight for 16 registered cannabis businesses at 18 locations and their daily operations. If any of the above options are approved by City Council, the Department will review the program needs and will have to return to City Council with an estimate for the costs associated with the following:

- Increased staffing to initiate a new registration process and evaluate new cannabis business applications;
- Increased regulatory staffing level to appropriately monitor increased cannabis operations; and
- Increased enforcement efforts related to illegal cannabis operations.

Outreach and Next Steps

Staff has already conducted initial outreach with the existing 16 cannabis businesses. Feedback from these businesses focused on a desire for existing businesses be allowed to open a second retail location under the revised location rules. Under staff's current proposal, existing businesses would be allowed to relocate their business. During the outreach meeting, businesses mentioned the difficulty for them to relocate because they have existing leases and have invested money at their current locations. Their preference is for the City to allow all existing businesses the ability to open a second location, and to allow this opportunity in advance of allowing any new non-equity businesses to apply for registration.

As mentioned above, the current staff proposal includes draft recommendations. Staff will consider feedback from existing businesses as well as upcoming outreach to the general public and the wider business community in developing a final proposal for Council consideration.

EVALUATION AND FOLLOW-UP

Given the COVID-19 crisis and redeployment of key staff to the Emergency Operations Center, it is difficult to determine a timetable for bringing this item forward to Council. Staff will

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develop an updated schedule for outreach and engagement once the shelter in place requirements have lifted.

COORDINATION

This memorandum was coordinated with the City Attorney's Office, Department of Planning, Building, and Code Enforcement, and Finance Department.

CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/
EDGARDO GARCIA
Chief of Police

For questions, please contact Wendy Sollazzi, Division Manager, Division of Cannabis Regulation, San José Police Department, at (408) 537-9890.

Attachments

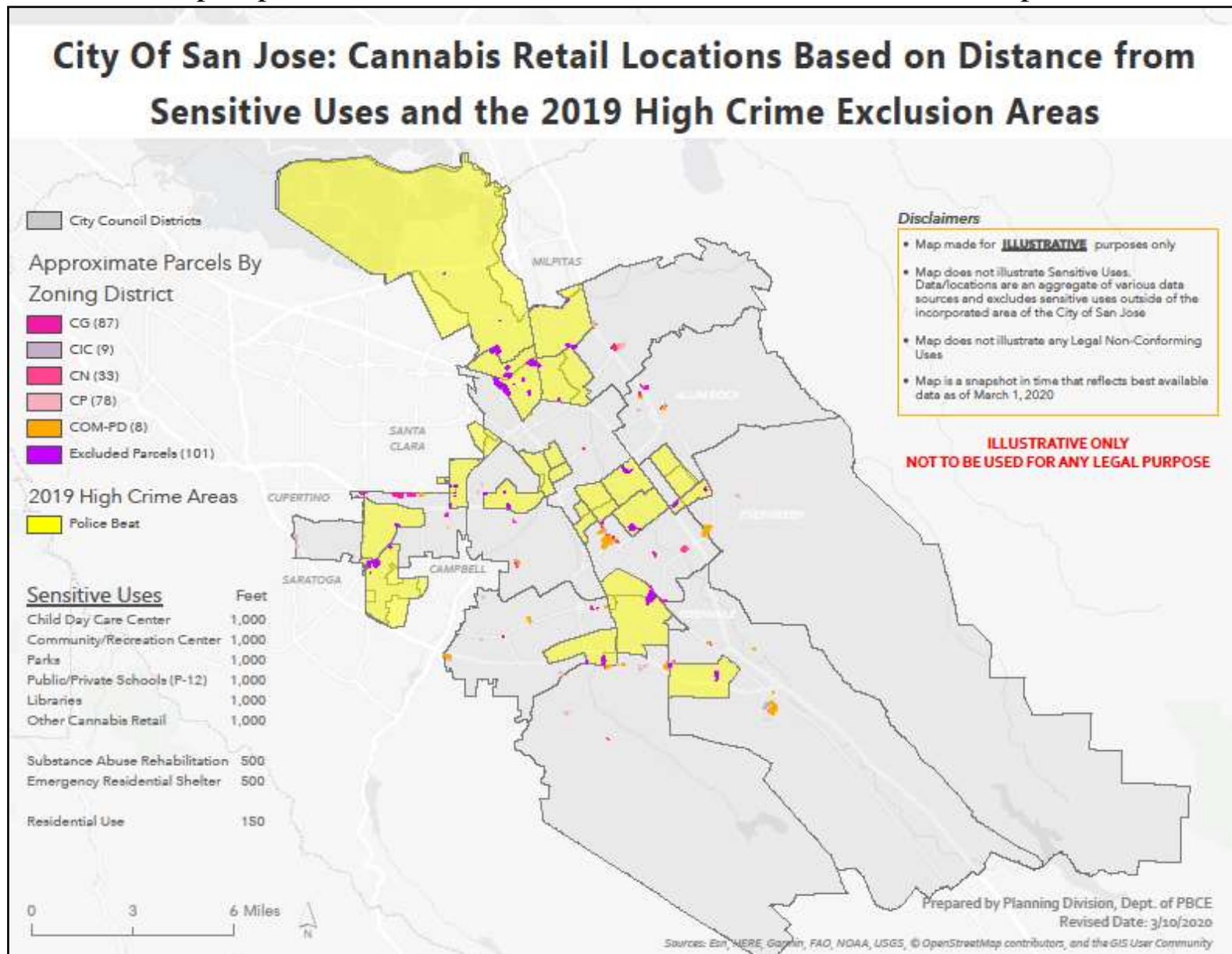
Attachment A: Cannabis Business Land Use Comparison, Existing and Proposed

Policy Feature	<u>Column 1</u> Existing Retail Storefront (Dispensary) and Associated Uses*	<u>Column 2</u> Proposed Retail Storefront (Dispensary)	<u>Column 3</u> Existing Manufacturing, Distribution, and Testing Laboratory	<u>Column 4</u> Proposed Retail Non-Storefront (Delivery Only)
Allowed Zoning Districts	Light Industrial Heavy Industrial Combined Industrial/Commercial Industrial Park Downtown Primary Commercial, 2 nd Story Only	Commercial General Combined Industrial/Commercial Commercial Neighborhood Commercial Pedestrian Downtown Primary Commercial Downtown Primary Commercial Neighborhood Transition 1 Main Street Commercial Main Street Ground Floor Commercial Applicable PD districts	Manufacturing: Light Industrial Heavy Industrial Combined Industrial/Commercial Industrial Park Distribution: Light Industrial Combined Industrial/Commercial Industrial Park Laboratory Testing: Industrial Park	Light Industrial Combined Industrial/Commercial Industrial Park
Excluded Areas	Prohibited on sites within the North San José Area Development Policy Boundary, the Edenvale Area Development Policy Boundary and the International Business Park Boundary, even if the site is appropriately zoned.	Excluded from police beats with crime reports 20% above the average of reported crimes.	None	None

Policy Feature	<u>Column 1</u> Existing Retail Storefront (Dispensary) and Associated Uses*	<u>Column 2</u> Proposed Retail Storefront (Dispensary)	<u>Column 3</u> Existing Manufacturing, Distribution, and Testing Laboratory	<u>Column 4</u> Proposed Retail Non-Storefront (Delivery Only)
Sensitive Use Setbacks	<p><u>1,000 feet from:</u> public or private preschool, elementary school or secondary school; child day care center, community or recreation center, park, or library</p> <p><u>500 feet from:</u> substance abuse rehabilitation center or emergency residential shelter</p> <p><u>150 feet from:</u> religious assembly or adult day care center</p> <p><u>50 feet from:</u> another retail storefront dispensary</p> <p><u>150 feet from:</u> Any residential use</p>	<p><u>1,000 feet from:</u> public or private preschool, elementary school, or secondary school; child day care center, community or recreation center, park, or library</p> <p><u>500 feet from:</u> substance abuse rehabilitation center or emergency residential shelter</p> <p><u>1,000 feet from:</u> another retail storefront dispensary</p> <p><u>150 feet from:</u> any residential use</p> <p><i>(Distances are measured from parcel boundary of the sensitive receptor to the building envelope of the cannabis retail location, except for the school, child day care and youth, community and recreation center categories, which use the state parcel boundary to parcel boundary measurement.)</i></p>	<p><u>600 feet from:</u> public or private preschool, elementary school, or secondary school; child day care center, place of religious assembly with a child day care center; community/recreational facility, park, or library</p> <p><u>150 feet from:</u> any residential use</p>	<p><u>600 feet from:</u> public or private preschool, elementary school, or secondary school; child day care center, place of religious assembly with a child day care center; community/recreational facility, park, or library</p> <p><u>150 feet from:</u> any residential use</p>
Numerical Cap	16 current dispensaries, no numerical cap was established as part of the previous application process.	Maximum of 5 additional retail storefront or non-storefront (delivery only) locations allowed.	None	Maximum of 5 additional retail storefront or non-storefront (delivery only) locations allowed.

*Uses in addition to dispensaries, such as cultivation, manufacturing, and delivery are allowed at existing 16 locations.

Attachment B: Map of potential Cannabis Storefront Sites Under Draft Staff Proposal



Attachment C: Cannabis Waste Regulations Excerpted from the City Manager Regulations for Medical and Non-Medical Cannabis

SECTION 4-5. PROPER DISPOSAL OF MEDICAL CANNABIS AND NON-MEDICAL CANNABIS WASTE

Pursuant to Section 6.88.315.A.4, in order to promote the safe cultivation of medical cannabis and non-medical cannabis, and to prevent unauthorized access to medical cannabis and nonmedical cannabis, including medical cannabis and non-medical cannabis waste, the cannabis business shall properly dispose of all medical cannabis and non-medical cannabis waste generated from the premises and location. Medical cannabis and non-medical cannabis waste includes cannabis plants, flowers, trim, leaves, stems, seeds, any cannabis concentrate, and any product containing medical cannabis or non-medical cannabis intended to be destroyed.

- A. The cannabis business is required to keep a detailed record of the amount of medical cannabis and non-medical cannabis waste rendered unusable along with the final destination of all medical cannabis and non-medical cannabis waste.
- B. Prior to leaving the cannabis business's cultivation premises or location, all medical cannabis and non-medical cannabis waste shall be rendered unusable and unrecognizable through mixing the waste with a non-consumable medium, including but not limited to one or more of those listed below, so that the resulting mixture is at least 50 percent non-cannabis waste. The resulting mixture may then be composted onsite, placed in the facility's wet bin for pickup or transferred to a waste disposal facility approved by the Chief of Police. The following inert mediums may be used in the mixture:
 1. Paper waste;
 2. Plastic waste;
 3. Cardboard waste;
 4. Food waste;
 5. Grease or other compostable oil waste;
 6. Bokashi or other compost activators;
 7. Soil;
 8. Other medium approved by the Chief of Police that will render medical cannabis or non-medical cannabis waste unusable and unrecognizable.