

# City of Mt. Shasta Cannabis Industry Plan

April 2017

The cannabis industry has grown and changed into a viable economic drive for cities and states. The movement from medical to recreational cannabis has created uncertainty and opportunity for community and economic development professionals.

The City of Mt. Shasta sees the growth of the cannabis industry as an opportunity to create a robust job market and economy, ensure environmental safety from uncontrolled operations, and maintain the city's quality of life. We accomplish this by understanding the changing cannabis industry, communicating in an accessible way, and using regulation to allow opportunity not enforcement.

## **Cannabis Industry Sectors**

The cannabis industry has been separated into various sectors to ease communication and focus regulations where it is logical and appropriate. The sectors for this plan are:

- Nursery: Growth of seeds and starts for end-use gardens or industry cultivators.
- Cultivators: Growth and maturation of cannabis plants for final cannabis sale or product manufacturing.
- Manufacturer: Processing of cannabis plants into various products, including beauty, food, or concentrates.
- Distribution: Wholesale providers of cannabis and cannabis products; includes warehousing
- Transporter: Movement of products from one point to another in the industry.
- Testing: Quality control of final end-use product
- Dispensary/Retail: Sale point of end-use product

The separation of sectors allows for the City of Mt. Shasta to decide which industry sectors are appropriate for the City and what regulations are needed for each sector to be successful without negatively impacting the community.

## **Methodology**

The City of Mt. Shasta Planning Commission appointed two members to the Cannabis Regulation Subcommittee. The two members with the City Planner will review cannabis industry standards, State of California regulations, and similar city ordinances to create a comprehensive strategy to regulate cannabis.

The creation of cannabis policy will be separated into four steps:

1. What terms do we use to communicate the cannabis industry?
2. What types of allowable industry
3. Where can each industry step be located in the city?
4. Regulations on Allowable Industry (How do we wish to regulate these different levels?)

These steps will use secondary research and focus groups to identify regulation strategies which create a robust cannabis industry in the City of Mt. Shasta.

The final products of this plan will be a zoning code amendment, a revised cannabis dispensary ordinance, and a cannabis industry ordinance. These changes to the zoning and municipal code should protect the character of the City of Mt. Shasta while providing opportunity for the growing cannabis industry.

## **Step I: Terminology**

The terms we use in planning to describe, catalog, and regulate are important. Many times the terms we use in City policies and ordinances are the basis of land use law court cases. Definitions which are not clear or comprehensive in their meaning can leave many decisions up to the discretion of the City Planner or the legislative bodies. Using interpretation of terms rather than a definition increase the liability to the City.

### **Proposed Terminology**

- Accessory Structure

(CURRENT) “Accessory structure” means a usual and customary building normally associated with a permitted or conditional use.

(PROPOSED) means a detached building subordinate to and located on the same parcel as a residence, the use of which is incidental to that of the residence. Accessory structure does not include and tent, trailer, recreational vehicle, or other vehicle, or any building designed or used for habitation.

- Applicant

shall mean a person who is required to file an application for a permit or license under this municipal code chapter

- Cannabis

(OPTION 1) The plant, or parts of plants, derived from the Cannabis family *Cannabaceae*. Can be referred to as Marijuana, Marijuana related product, Cannabis, or Cannabis related product. Does not include Hemp.

(OPTION 2) “Cannabis” means all parts of the plant *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. For the purposes of this Section the terms Cannabis and Marijuana shall have the same meaning.

- Cannabis Dispensary

(OPTION 1) A “cannabis dispensary” is a facility where recreational or medical cannabis can be made available.

(OPTION 2) means a premise where cannabis, cannabis products, or devices for the use of non-medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant relevant California state regulations, cannabis and cannabis products as part of a retail sale.

- Cannabis Manufacturing Site

means the premises that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, directly or indirectly, by non-volatile extraction methods, and is owned and operated by a licensee for these activities.

- Cannabis Testing Facility

means a public or private laboratory licensed and certified, or approved by the Bureau of Cannabis Regulation or any other regulatory body controlling testing facilities, to conduct research and analyze cannabis, cannabis products, and cannabis concentrate for contaminants and potency

- Canopy

means the total combined canopy area for all locations on a property where medical marijuana is being cultivated, including indoor areas, outdoor areas, or a combination of both, as measured by the horizontal extent of the plant or combination of plants at the widest point and measured in a straight line.

- Commercial Cannabis Business

includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis, medical cannabis or a cannabis or medical cannabis product

- Cultivation and/or Cultivate

shall mean the planting, growing, harvesting, drying, processing, or storage of one or more cannabis plants or any part thereof and as defined by California State Law

- 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 independently licensed, that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products.

- Distribution

Means the procurement, sale, and transport of cannabis and cannabis products between licensed entities

- Distributor

means a person licensed to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis products from a licensed manufacturer, for sale to a licensed dispensary and as defined by California State Law

- Employee

(OPTION 1) shall mean any person (whether paid or unpaid) who provides regular labor or regular services for a cannabis business, including but not limited to the location of a cannabis dispensary business.

- Indoor Cultivation Facility

shall mean a facility which is licensed by the City of Mt. Shasta and the State of California for the growing of cannabis within an enclosed building for the purposes of wholesale of cannabis to cannabis manufacturing facilities or cannabis dispensaries and shall have the same meaning as defined by California State Law

- Manager

Shall mean an employee responsible for management and/or supervision of a cannabis dispensary business

- Mixed Light Cultivation Facility

cultivation using a combination of natural and supplemental artificial lighting at a maximum threshold in a permanent facility in compliance with the State Building Code as determined by the State licensing authority

- Nursery

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

- Outdoor Cultivation Facility

shall mean a facility which is licensed by the City of Mt. Shasta and the State of California for the growing of cannabis using natural lighting for the purposes of wholesale of cannabis to cannabis manufacturing facilities or cannabis dispensaries and shall have the same meaning as defined by California State Law

- Primary Caregiver

Shall have the same meaning as set forth in the California Health and Safety Code section 11362.7(f)

- Qualified Patient

Shall have the same meaning as set forth in the California Health and Safety Code section 11362.7(f)

- School

Means any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

- Transporter

Means a person who holds a license by the Bureau of Cannabis Regulation to transport medical cannabis or medical cannabis products in an amount above a threshold determined by the bureau between licensees that have been issued a license pursuant to this chapter.

## Step 2: Types of Allowable Use

The types of allowable use determine what we as a City will allow. The cannabis industry has a number of steps which can be regulated. Based on feedback from the March Planning Commission meeting, all levels of the cannabis industry should be explored.

The following “Use Types” have been created to specify the deferent levels and uses within them. The reference to “retail” indicates that these uses can sell to the public as an end use product. The reference to “industry” indicates that these producers can only sell within the supply chain to cultivators, product manufacturers, or dispensaries.

| Use Type              | Land Use Type                                | Allowed (Y/N) |
|-----------------------|--|---------------|
| Cultivator            | Type 1, Up to 5,000 sq ft                    |               |
|                       | Type 2, 5,001 to 10,000 sq ft                |               |
|                       | Type 3, 10,001 to one acre(or 22,000 sq ft.) |               |
|                       | Personal Garden, No Greater than 6 plants    |               |
| Dispensary/Collective | Retail Dispensary                            |               |
| Distributor           | Warehouse/Distributor                        |               |
| Manufacturer          | Manufacturing/Processing (volatile)          |               |
|                       | Manufacturing/Processing (nonvolatile)       |               |
|                       | Manufacturing/Processing, Food-based         |               |
| Nursery               | In Building (Retail)                         |               |
|                       | In Building (Industry)                       |               |
|                       | Outdoor (Retail)                             |               |
|                       | Outdoor (Industry)                           |               |
| Testing               | Laboratory                                   |               |
| Transporter           | Freight/Transport                            |               |

### **Step 3: Zoning**

The Zoning Code for the City of Mt. Shasta determines where certain uses are prohibited or permitted. Uses can reference a number of different types of businesses, residences, and their density. The uses are separated by a zoning code illustrated on a map that helps the public navigate the planning system.

The City of Mt. Shasta has the following zoning codes:

- RL – Resource Land
- U – Unclassified
- R1-B1 – Low Density Residential 10,000 sq. ft. Min
- R1-U – Low Density Urban
- R1 - Low Density Residential
- R2 – Medium Density Residential
- R3 – High Density Residential
- C1 – Downtown Commercial
- C2 – General Commercial
- EC – Employment Center
- P-D – Planned Development
- P – Public
- OS – Open Space

Within each zone are lists of permitted, conditional, and accessory uses. Permitted uses are those that do not require any additional permitting from the Planning Department. Conditional Uses are those that require special permitting and consideration from the Planning Commission. Accessory Uses are those that complement the permitted uses.

Utilize Table A to create zoning preferences.

#### **Step 4: Regulation**

The City of Mt. Shasta currently has one ordinance pertaining to medical cannabis dispensaries. The Planning Commission reviewed the ordinance in 2016 and determined that the dispensary permits should be revised to allow the dispensary owner to determine if they wish to sell medical, recreational, or a combination. The total number of dispensaries would not increase but both recreational and medical dispensaries would be treated equally.

The current strategy for the City of Mt. Shasta is to continue to separate the dispensary, or retail sector, from the industrious sectors. The Planning Commission subcommittee is reviewing the possibility of allowing onsite retail operations for nurseries and product manufacturers, which would be included in the retail/dispensary ordinance.

The cannabis industrious ordinance will include regulation on the following sectors:

- Cultivators
- Wholesale
- Transporters
- Distributors
- Manufacturer
- Nursery
- Testing

Each sectors will be assessed for their industry supply chain needs, traffic intensity and patterns, and negative impacts.



Table A. Cannabis Industry Zoning Matrix

| Use Type                | Land Use Type                                | Onsite Retail to the Public | Permit Type Required by Zoning Code |   |       |      |    |    |    |    |    |    |     |   |    |  |
|-------------------------|--|-----------------------------|-------------------------------------|---|-------|------|----|----|----|----|----|----|-----|---|----|--|
|                         |  |                             | RL                                  | U | RI-BI | RI-U | RI | R2 | R3 | CI | C2 | EC | P-D | P | OS |  |
| Cultivator              | Type 1, Up to 5,000 sq ft                    | NO                          |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
|                         | Type 2, 5,001 to 10,000 sq ft                | NO                          |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
|                         | Type 3, 10,001 to one acre(or 22,000 sq ft.) | NO                          |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
|                         | Personal Garden, No Greater than 6 plants    | NO                          |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
| Dispensary / Collective | Retail Dispensary                            | YES                         |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
| Distributor             | Warehouse/Distributor                        | NO                          |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
| Manufacturer            | Manufacturing/Processing (volatile)          | YES/NO                      |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
|                         | Manufacturing/Processing (nonvolatile)       | YES/NO                      |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
|                         | Manufacturing/Processing, Food-based         | YES/NO                      |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
| Nursery                 | In Building (Retail)                         | YES/NO                      |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
|                         | In Building (Industry)                       | NO                          |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
|                         | Outdoor (Retail)                             | YES                         |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
|                         | Outdoor (Industry)                           | NO                          |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
| Testing                 | Laboratory                                   | NO                          |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |
| Transporter             | Freight/Transport                            | NO                          |                                     |   |       |      |    |    |    |    |    |    |     |   |    |  |

P - Permitted (Use by Right)  
 CP - Conditional Use Permit  
 NP - Not Permitted  
 HOC - Home Occupation Permit