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# **Commercial Cannabis Activities in Stanislaus County**

County Board of Supervisors  
September 26, 2017

# Anticipation and Response

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- This process is happening Statewide
- City Outreach/Engagement
- Local Impacts



# Conservative Program Parameters

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## Allowance Strategy

CDFR Survey (2016) as Interest Base line

35% Conservative CAP

61 Total Permit Allowance – through Rigorous Application Process

Hard CAP on Retail/Dispensaries – No more than 7

Specific Zoning Requirements

Track and Trace Requirements

Development Agreement (DA) Requirement

Annual Permit Review and Renewal Process



## STEP 1: Establishing the Queue

APPLICANT INTEREST  
Registration

Permit Registration Window:  
10.2.17 - 10.20.17 @ 3PM



Less Than 61 Permit Interests

More Than 61 Permit Interests



BACKGROUND SCREENING  
PASS/FAIL \*

FAIL = END OF PROCESS

\*\* APPLICATION PACKET/FEE

- APPLICATION PACKET INCLUDES:
- Outline of SC Process
  - Application Form
  - List of Compliance Regulations
    - Check List
    - Required Permits
  - DRAFT Development Agreement

Applications DUE: February 9, 2018



Cannabis Manager  
CEO  
County Counsel  
Planning

CANNABIS  
REVIEW/COMMITTEE



BACKGROUND SCREENING  
PASS/FAIL

\*\* APPLICATION PACKET/FEE

PAPER RANK  
ALL Applications  
[80% minimum pass]

Applicant  
Interviews  
[blend scores from paper review]

FINAL RANK  
All eligible Applicants

Release from Queue  
until 61 Permit Limit is reached

## STEP 2: Land Use Entitlement/DA

LAND USE PERMIT  
Use Permit/Rezoning App



DEVELOPMENT  
AGREEMENT

INCLUDES:  
Funding Mechanism  
and CONNECTS  
Regulatory & Land Use  
Permits

PLANNING COMMISSION

DENIED APPROVED

DA  
Only

BOS CONSIDERATION

DENIED = END PROCESS

Use Permit/DA

\*\*\*\*\*

APPROVED

## STEP 3: Regulatory Permit [in lieu of Business License]

Review to verify  
Use Permit/Conditions of Approval  
are met  
[or will be met]

REGULATORY  
PERMIT  
Application

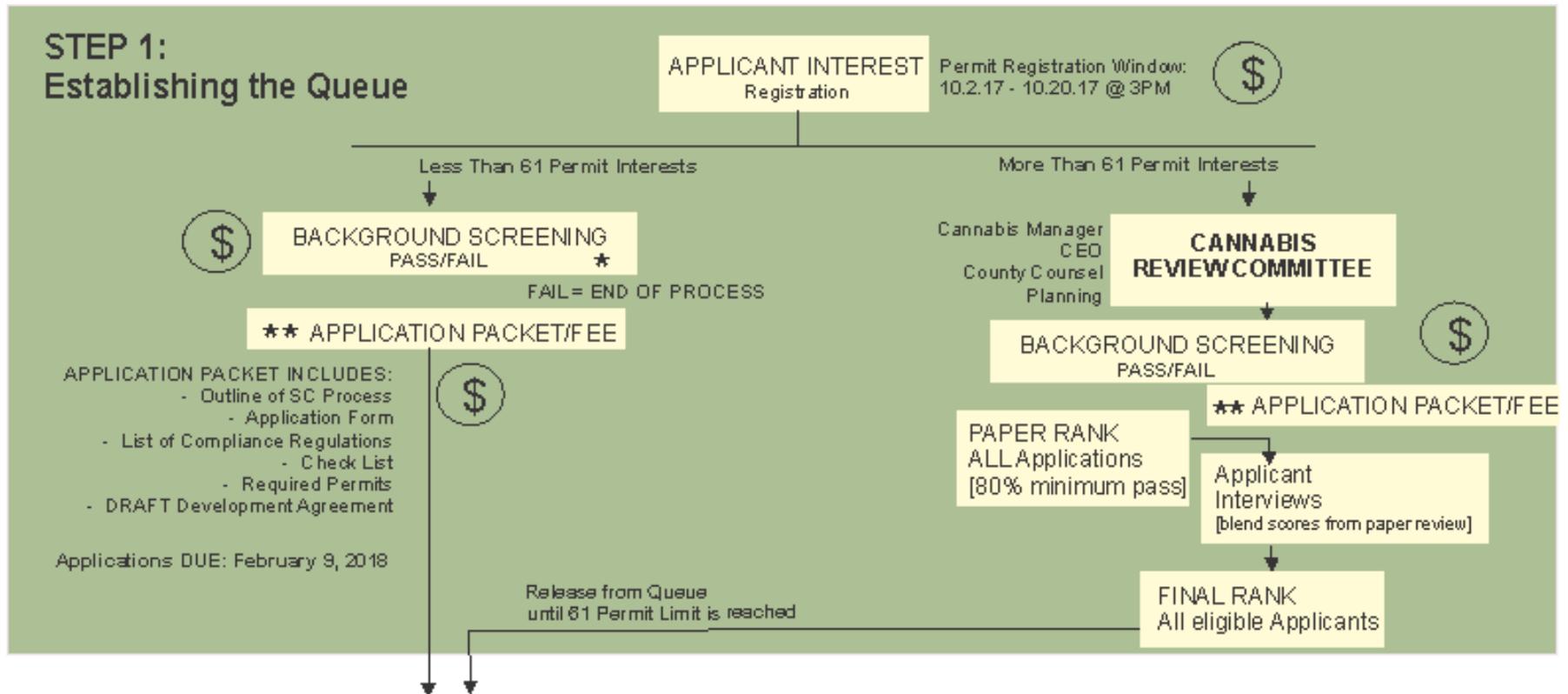
SIGN  
Development Agreement

SIGN OFF ON COUNTY PERMIT  
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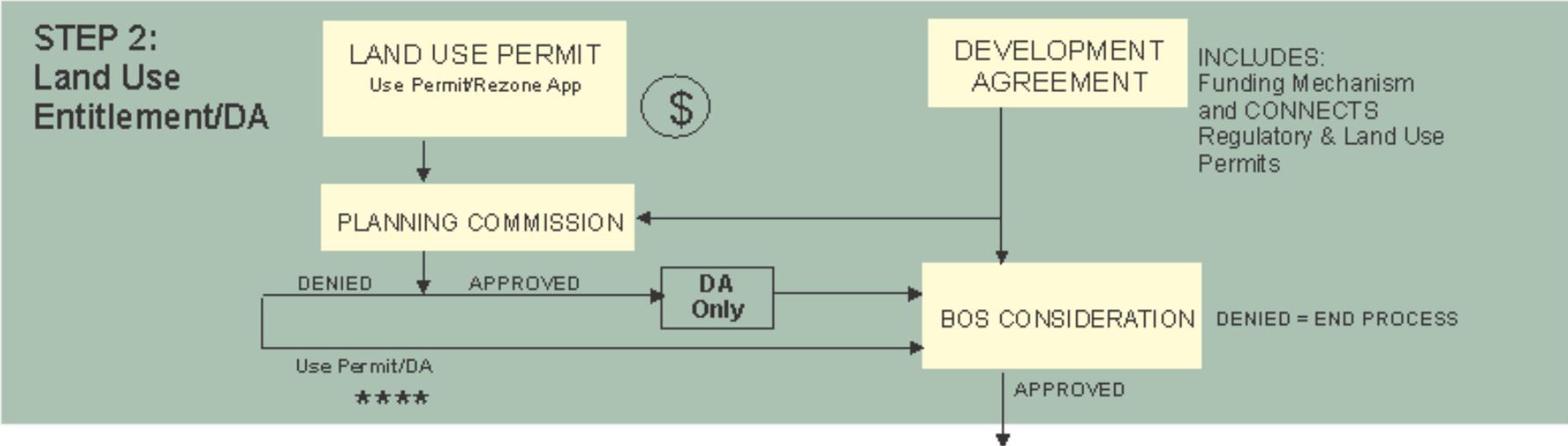


Applicant seeks to  
**OBTAIN  
STATE LICENSE**

# STEP ONE:

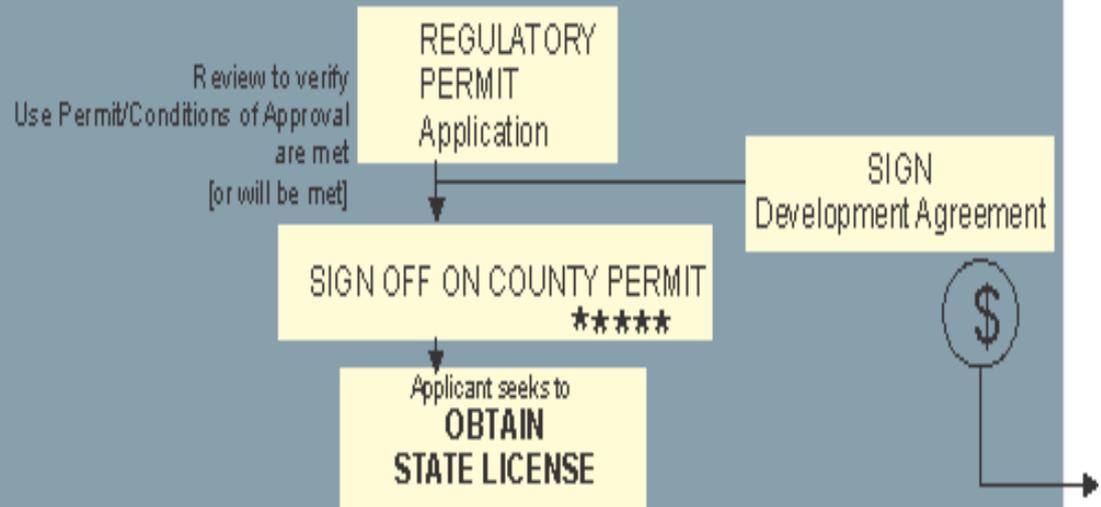


# STEP TWO:



## STEP THREE:

### STEP 3: Regulatory Permit [in lieu of Business License]



# ENFORCEMENT

Revenue generated through the Development Agreement (DA) process could fund targeted cannabis enforcement efforts.

Enforcement Oversight will include:

- Sheriff Office (LEAD)
- DER (Environmental Resources)
- District Attorney
- CEO
- County Counsel
- Planning / Community Development
- AG Commissioner
- HSA/Public Health
- Probation Department

## ENFORCEMENT CANNABIS OVERSIGHT

CANNABIS \*\*\*  
Program Manager

Department of  
Environmental Resources  
(DER)  
- Code Enforcement  
- HAZ MAT  
- Water  
- Environmental Health

Sheriff's Office

District Attorney

CEO

County Counsel

Planning /  
Community Development  
- Planning  
- Building

AG Commissioner  
- Pesticide Compliance  
- Weights and Measures

HSA/Public Health

Probation Department

DEVELOPMENT AGREEMENT  
Revenue to fund  
ENFORCEMENT program  
[Staff /Equipment/Resources]  
+ Discretionary Community  
Development

# Activities: Cultivation vs Business

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**Cultivation:** Any activity involving the planting, growing, harvesting, Drying, curing, grading, or trimming of cannabis.

**Commercial Business:** The business activities involving the manufacture, packaging, possession, preparing, production, processing, providing, retailing, storing, donating, testing, labeling, transportation, distribution, delivery, or sale of cannabis and cannabis products.



# Development Agreement

## Proposed Cultivation Community Benefit Rates (CBR)

Commercial Cannabis Cultivation				
	Outdoor *	Mixed-Light	Indoor	Nursery
AREA SIZE	CBR per Square Foot			
5,000 sq. ft. or less	N/A	\$5.00	\$6.00	\$1.00
5,001 – 10,000 sq. ft.	N/A	\$5.50	\$7.00	\$1.00
10,001 – 22,000 sq. ft.	N/A	\$6.00	\$8.00	\$1.00
Greater than 22,000 sq. ft.	N/A	\$8.00	\$10.00	\$1.00

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\* Proposed Program DOES NOT allow outdoor grows

# Development Agreement

## Proposed Commercial Business

### Community Benefit Rates (CBR)

#### Commercial Cannabis Business

Commercial Cannabis Business	
BUSINESS TYPE	CBR on Gross Receipts
Testing Laboratory	2.5%
Commercial Cannabis Business	8.0%

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Proposed  
**TIME LINE**



**September 26** – Board Direction



**October 2 – 20**

If Approved – Open Registration Window



**October 19** – Planning Commission

- Present Ordinance Revise
- Land Use Policies



**December 5**

Public Hearing



**December 19**

Second Reading



**January 18, 2018**

Ordinance/Fees

Go Live

**Applications Due: February 9, 2018**

**@ 3 PM**

# Summary

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- Revenue generator for Enhanced Enforcement – Enforce the CAP
- (potential) Revenue for general governmental purposes
- Ability to Manage and Administer new Industry
- If Board Supports = Staff to Return w/
  - Ordinance Revise,
  - Land Use Policies
  - Recommended Fee Schedule

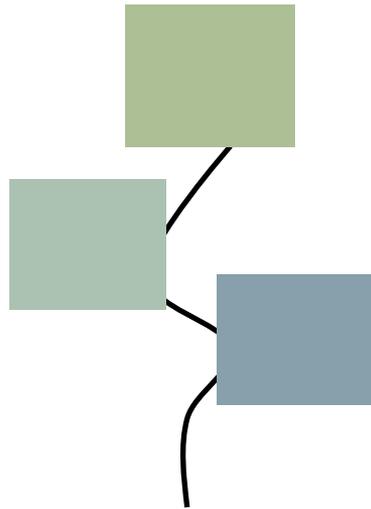


# Recommendations

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1. Approve the development of a conservative commercial cannabis allowance strategy for retail, cultivation, and other related cannabis business activities in the unincorporated area of Stanislaus County.
2. Direct staff to return to the Board of Supervisors with a Regulatory Ordinance for cannabis, a Zoning Ordinance Amendment, and fee schedule for cannabis related permitting and enforcement activities.
3. Authorize staff to open a 15 business day initial application interest period from October 2, 2017 through October 20, 2017 3:00 p.m. with a non-refundable deposit of \$4,359 consistent with the established development agreement fee schedule.
4. Set a public hearing on December 5, 2017 at 9:05 a.m. to consider a regulatory ordinance, zoning ordinance amendment, and a fee schedule ordinance.





# QUESTIONS?

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County Board of Supervisors  
September 26, 2017