



CITY OF LAKEPORT PLANNING COMMISSION

MEMORANDUM

RE: Discussion on Amending Chapter 17.28 Performance Standards, Chapter 17.11 Service Commercial (C-3), Chapter 17.13 Industrial (I), and Chapter 17.37 Definitions of the Zoning Ordinance to address Commercial Cannabis in the City of Lakeport

MEETING DATE: 9/13/2017

SUBMITTED BY: Daniel Chance, Associate Planner

PURPOSE OF REPORT: Information only Discussion Commission Action

WHAT IS BEING ASKED OF THE PLANNING COMMISSION:

Discuss and review possible amendments to the Lakeport Zoning Ordinance to allow the following: Chapter 17.28 performance standards that would establish regulations and criteria for the various commercial cannabis uses; Chapter 17.11 Service Commercial (C-3) that would allow the various commercial cannabis uses with a Use Permit or a Zoning Permit; Chapter 17.13 Industrial (I) that would allow the various commercial cannabis uses with a Use Permit or a Zoning Permit; and 17.37 Discussion that would define the various commercial cannabis uses. Amendments under consideration reflect state regulations associated with the recent passage of Proposition 64 and regulations associated with the passage of SB 94 on June 27, 2017 that established regulations and licensing for commercial cannabis in the State of California. (Discussion should be limited to the development of procedures for the cultivation, manufacturing, testing, and retail sales associated with commercial cannabis use. Personal cannabis cultivation Chapter 17.38 has been modified reflecting the Planning Commission's recommendations from February 8, 2017 hearing and will be returning to the Planning Commission in the next couple of months.)

BACKGROUND/DISCUSSION:

In response to the adoption of AUMA by the California voters and recent amendments made by the State Legislature, commonly referred to as Proposition 64 and subsequently SB 94, the City of Lakeport is beginning to look at potential revisions to the Lakeport Municipal Code as it pertains to commercial cannabis: cultivation, retail sales, processing/manufacturing and licensing/taxation. Commercial cultivation requires amending the City's ordinance to allow such use.

A Working Group consisting of two City Council Members, the City Manager, the City Attorney, the Police Chief, and the Community Development Director reviewed possible amendments to the City's Municipal Code. Based on this preliminary review the City of Lakeport is proposing not to develop to commercial cannabis as a stand-alone ordinance, but rather incorporating commercial cannabis into the zoning ordinance similar to other commercial uses. At this time, the Working Group has requested that the Planning Commission review possible amendments related to commercial cannabis, which includes dispensaries, retail sales, manufacturing, testing and large commercial cultivation. Under SB 94, the State developed a regulatory structure for licensing the various uses associated with commercial cannabis, the City of Lakeport is developed commercial regulations consistent with State licensing.

Staff has developed a matrix (Attachment B) identifying the commercial zoning designations in the City of Lakeport, the licensing types identified by the State, and a list of other uses not identified by state licensing

- The State licensing includes the following:
 - Cannabis Cultivation: Type 1, 1A, 1B, 1C, 2, 2A, 2B, 3, 3A, 3B. That would address indoor, outdoor, and mixed light for cannabis cultivation, as well as various size of operations.
 - Cannabis Nursery: Type 4. Cannabis nursery.
 - Manufacturing: Type 6 & 7. Manufacturing (Type 6) and manufacturing with solvents (Type 7).
 - Testing: Type 8. Cannabis testing.
 - Dispensary General: Type 10 & 10A. Retail sales of cannabis.
 - Distribution: Type 11. The transportation of cannabis.
 - Microbusiness: Type 12. Use that would allow smaller cultivation, manufacturing and retail.
- Staff added the following:
 - Retail sales with on-site consumption.
 - The others listed would fit into the state licensing listed above.

The primary focus of the Working Group aimed to balance the demand for commercial cannabis operations while at the same time limiting their visibility within the community and reducing potential negative impacts. Such recommendation include:

- Prohibiting outdoor cultivation activities.
- Limiting commercial cannabis activities to the “C-3”, Service Commercial and “I”, Industrial zoning districts.
- Require review and approval of an operations plan by the Lakeport Police Department prior to issuance of a development permit.
- Controlling for potential odor impacts.
- Limiting retail sales to delivery only; prohibiting storefront retail.

Following a public hearing and discussion by the Planning Commission. Staff will provide an overview of these proceedings to the established Working Group and begin drafting formal amendments to Section 17.28 of the Zoning Ordinance to include standards and criteria for commercial cannabis. Adding those cannabis uses in the commercial zoning districts and identifying whether a Zoning Permit or Use Permit is required. And finally, developing definitions for those cannabis uses.

SUGGESTED MOTION:

Move to initiate through a minute order of the Planning Commission the preparation of amendments to Section 17.28, 17.11, 17.13 & 17.37 of the Zoning Ordinance to include Performance standards, regulations and criteria for commercial cannabis for the City of Lakeport consistent with provisions of SB 94 of the State of California.

- ☒ **Attachments:**
1. Chapter 17.28 Commercial Cannabis
 2. Commercial Cannabis Zoning Matrix
 3. Banking the Cannabis Industry: Prop 64
 4. Key takeaways: SB94 Cannabis: medicinal and adult use