

**ORDINANCE NO. 1326-16 (CM)**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE REPEALING CHAPTER 5 (MEDICAL MARIJUANA DISPENSARIES) OF TITLE 6 (SANITATION AND HEALTH) IN ITS ENTIRETY AND ADDING A NEW CHAPTER 5 (MEDICAL CANNABIS FACILITIES) OF TITLE 6 (SANITATION AND HEALTH) OF THE WATSONVILLE MUNICIPAL CODE**

**(CULTIVATION ONLY)**

**Repeals Ordinance No. 1226-07 (CM)**

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**THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, DOES**

**HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1. ENACTMENT.**

Title 6 (Sanitation and Health) is hereby amended by repealing

Chapter 5 entitled “Medical Marijuana Dispensaries” of the Watsonville Municipal Code in its entirety and replacing it with a new Chapter 5 entitled “Medical Cannabis Facilities” (Cultivation Only) to read in words and figures as follows:

## **CHAPTER 6 MEDICAL CANNABIS FACILITIES**

### **Sec. 6-5.010 Purpose and Intent.**

If medical cannabis facilities and cultivation were permitted to be established or if existing business were permitted to distribute, sell or cultivate medical without appropriate regulation, such uses might be established in areas that would conflict with the requirements of the General Plan, be inconsistent with surrounding uses, or be detrimental to the public health, safety and welfare. The City Council desires to enact reasonable regulations pertaining to medical cannabis facilities and cultivation to ensure that qualified patients and their caregivers are afforded safe and convenient access to medical cannabis, while at the same time ensuring that such uses do not conflict with the General Plan, are not inconsistent with surrounding uses, and are not detrimental to the public health, safety and welfare. Medical cannabis facilities shall be permitted, upon application and approval of a regulatory permit in accordance with the criteria and procedures set forth in this Code.

### **Sec. 6-5.020 Definitions.**

This ordinance shall be known and may be cited as the Medical Marijuana Regulation and Safety Ordinance (or “MMRSO”).

For purposes of this chapter, the following definitions shall apply:

(a) “Accrediting body” shall mean a nonprofit organization that requires conformance to ISO/IEC 17025 requirements and is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement for Testing.

(b) “Applicant,” for purposes of this Ordinance, shall mean the following:

(1) Owner or owners of a proposed facility, including all persons or entities having ownership interest other than a security interest, lien, or encumbrance on property that will be used by the facility.

(2) If the owner is an entity, “owner” includes within the entity each person participating in the direction, control, or management of, or having a financial interest in, the proposed facility

(3) If the applicant is a publicly traded company, “owner” means the chief executive officer or any person or entity with an aggregate ownership interest of 5 percent or more.

(4) As used in this Ordinance “Licensee” shall have the same definition as Applicant, as defined herein, who has been approved for a license.

(c) “Batch” shall mean a specific quantity of medical cannabis or medical cannabis products that is intended to have uniform character and quality, within specified limits, and is produced according to a single manufacturing order during the same cycle of manufacture.

(d) “Bureau” shall mean the Bureau of Medical Marijuana Regulation within the Department of Consumer Affairs.

(e) “Cannabinoid” or “phytocannabinoid” shall mean a chemical compound that is unique to and derived from cannabis.

(f) “Cannabis” shall mean 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. “Cannabis” also means the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” also means marijuana as defined by Section 11018 of the Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, “cannabis” does not mean “industrial hemp” as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

(g) “Caregiver” or “primary caregiver” has the same meaning as that term is defined in Section 11362.7 of the Health and Safety Code.

(h) “Certificate of accreditation” shall mean a certificate issued by an accrediting body to a licensed testing laboratory, entity, or site to be registered in the state.

(i) “Chief” shall mean Chief of the Bureau of Medical Marijuana Regulation within the Department of Consumer Affairs.

(j) “Commercial cannabis activity” includes cultivation, or sale of medical cannabis or a medical cannabis product, except as set forth in Section 19319 of the

California Business and Professions Code, related to qualifying patients and primary caregivers.

(k) “Cultivation” shall mean any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

(l) “Delivery” shall mean the commercial transfer of medical cannabis or medical cannabis products from a dispensary, up to an amount determined by the bureau to a primary caregiver or qualified patient as defined in Section 11362.7 of the Health and Safety Code, or a testing laboratory. “Delivery” also includes the use by a dispensary of any technology platform owned and controlled by the dispensary, or independently licensed under this chapter that enables qualified patients or primary caregivers to arrange for or facilitate the commercial transfer by a licensed dispensary of medical cannabis or medical cannabis products, which is prohibited in the City of Watsonville.

(m) “Dispensary” shall mean a facility where medical cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to express authorization by local ordinance, medical cannabis and medical cannabis products as part of a retail sale, that holds a valid local license or permit, which is prohibited in the City of Watsonville.

(n) “Dispensing” shall mean any activity involving the retail sale of medical cannabis or medical cannabis products from a dispensary, which is prohibited in the City of Watsonville.

(o) “Distribution” shall mean the procurement, sale, and transport of medical cannabis and medical cannabis products between entities licensed pursuant to this

chapter, that holds a valid local license or permit, which is prohibited in the City of Watsonville.

(p) “Distributor” shall mean a person licensed under this chapter to engage in the business of purchasing medical cannabis from a licensed cultivator, or medical cannabis products from a licensed manufacturer, for sale to a licensed dispensary, that holds a valid local license or permit, which is prohibited in the City of Watsonville.

(q) “Dried flower” shall mean all dead medical cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

(r) “Facility” as used in this Ordinance shall mean any building, structure or area of land used for the cultivation of medical cannabis.

(s) “Identification program” shall mean the universal identification certificate program for commercial medical cannabis activity authorized by this chapter.

(t) “Licensee” shall mean an applicant who has received a local license or permit pursuant to this chapter to engage in commercial Cannabis activity

(u) “Licensing authority” shall mean the state or City agency responsible for the issuance, renewal, or reinstatement of the license, or the state or City agency authorized to take disciplinary action against the license.

(v) “Cultivation site” shall mean a facility where medical cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, that holds a valid state local license or permit pursuant to this chapter, and that holds a valid local license or permit.

(w) “Manufacturer” shall mean a person that conducts the production, preparation, propagation, or compounding of manufactured medical cannabis, as described in subdivision (ae), or medical cannabis products either directly or indirectly

or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages medical cannabis or medical cannabis products or labels or re-labels its container, that holds a valid state or local license or permit pursuant to this chapter, and that holds a valid local license or permit, which is prohibited in the City of Watsonville.

(x) “Testing laboratory” shall mean a facility, entity, or site in the state that offers or performs tests of medical cannabis or medical cannabis products and that is both of the following, which are prohibited in the City of Watsonville:

(1) Accredited or in process of accreditation by an accrediting body that is independent from all other persons involved in the medical cannabis industry in the state to ISO 17025 standards.

(2) Registered with the State Department of Public Health upon implementation of MMRSA.

(y) “Transporter” shall mean a person issued a state license by the bureau to transport medical cannabis or medical cannabis products in an amount above a threshold determined by the bureau between facilities that have been issued a state or local license pursuant to this Ordinance, which is prohibited in the City of Watsonville.

(z) “Licensee” shall mean a person issued a City license under this chapter to engage in commercial cannabis activity.

(aa) “Live plants” shall mean living medical cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.

(bb) “Lot” shall mean a batch, or a specifically identified portion of a batch, having uniform character and quality within specified limits. In the case of medical cannabis or a medical cannabis product produced by a continuous process, “lot” means

a specifically identified amount produced in a unit of time or a quantity in a manner that ensures its having uniform character and quality within specified limits.

(cc) “Manufactured cannabis” shall mean raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product, which is prohibited in the City of Watsonville.

(dd) “Manufacturing site” shall mean a location that produces, prepares, propagates, or compounds manufactured medical cannabis or medical cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a licensee for these activities, which is prohibited in the City of Watsonville.

(ee) “Medical cannabis,” “medical cannabis product,” or “cannabis product” shall mean a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this chapter, “medical cannabis” does not include “industrial hemp” as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

(ff) “Nursery” shall mean a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of medical cannabis, that holds a valid local license or permit.



(gg) "Permit," "local license," or "local permit" shall mean an official document granted by a local jurisdiction that specifically authorizes a person to conduct commercial cannabis activity in the local jurisdiction.

(hh) "Person" shall mean an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.

(ii) "City license," "license," or "registration" shall mean a City license issued pursuant to this Ordinance.

(jj) "Transport" shall mean the transfer of medical cannabis or medical cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized pursuant to this chapter, which is prohibited in the City of Watsonville.

(kk) "Volatile solvent" shall mean a flammable liquid or gas used to extract or concentrate cannabis products that vaporizes or boils below room temperature, such as propane or butane, which is prohibited in the City of Watsonville.

#### **Sec. 6-5.030 Permit required.**

(a) Permit classifications pursuant to this chapter are as follows:

~~(1) Type 1 = Cultivation; Specialty outdoor. Up to 5,000 square ft of canopy, or up to 50 noncontiguous plants~~

(2) Type 1A = Cultivation; Specialty indoor. Up to 5000 sq ft

(3) Type 1B = Cultivation; Specialty mixed-light. Using exclusively artificial lighting, **up to 5,000 sq. ft.**

(4) Type 2A = Cultivation; Indoor. 5,001 -10,000 sq ft.

(5) Type 2B = Cultivation; Mixed-light. 5,001 -10,000 sq ft

(6) Type 4 = Cultivation; Nursery, **indoor or mixed-light only, up to 10,000 sf**

Use	IP (Industrial Park)	IG (General Industrial)
Type 1 Cultivation, specialty outdoor	X	X
Type 1 A, Cultivation, Specialty indoor up to 5,000 sf	SUP	SUP
Type 1B, Cultivation, specialty mixed light, up to 5,000 sf	SUP	SUP
Type 2, Cultivation, outdoor, up to 5,000 sf	X	X
Type 2A, Cultivation, indoor, up to 10,000 sf	X	X
Type 2B, Cultivation, mixed light, up to 10,000 sf	X	X
Type 3, Cultivation, outdoor, up to 1 acre	X	X

(b) Prior to initiating operations and as a continuing requisite to operating a medical cannabis facility, the persons or legal representative of the persons wishing to operate a medical cannabis facility shall first obtain a regulatory permit from the Community Development Department under the terms and conditions set forth in this Ordinance, and first obtain a state license from the state of California, so long as the state has implemented MMRSA.

(c) Each regulatory permit shall require a renewal every year from its date of issuance. Renewal of regulatory permits shall be as provided for in section 6.5.090 of this chapter.

(d) Regulatory permits are not transferable and any assignment or transfer of such permits shall be considered null and void without prior approval from the City of Watsonville.

(e) An application for a regulatory permit shall be heard by a designee of the Zoning Administrator, unless exempt.

(f) The legal representative shall file an application for a regulatory permit with the Zoning Administrator or designee upon forms provided by the City and shall pay an “application fee” and a “processing fee” as required by this chapter and as established by resolution adopted by the City Council as amended from time to time. An application for a regulatory permit shall include, but shall not be limited to, the following information:

The legal name, and any other names, under which the facility will operate.

(1) The address of the location and the on-site telephone number, if known, of the medical cannabis facility.

(2) The following information for each owner (defined as any person having an economic interest in the applicant or applicant), officer, director, and manager of the medical cannabis facility:

(i) Complete legal name and any alias (es), address, and telephone number;

(ii) Date and place of birth;

(iii) Copy of a valid California government issued photo identification card or license;

(iv) One set of fingerprints in a form acceptable to the Police Department; and

(v) A detailed explanation of the owner’s or manager’s involvement with any other medical cannabis applicant or applicant or licensee, including, but not limited to, the name and address of the applicant or applicant or licensee; the city in which the owner or manager is or was involved with the applicant or applicant or licensee; whether the

applicant or licensee is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; whether the owner or manager or the applicant or licensee with which the owner or manager is or was associated has ever been denied, or is in the process of being denied registration, a permit, a license or any other authorization required to operate in any other city, City or state; and whether the owner or manager or the applicant or licensee with which the owner or manager is or was associated has ever had a registration, license, permit or any other authorization required to operate in any other city, City or state, suspended or revoked, and the reasons therefore.

(vi) A detailed explanation of the owner's or manager's involvement with any other retail business in the City of Watsonville, including, but not limited to, the name and address of such business; the type of business; the City in which the owner or manager is or was involved with the business; whether the business is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; whether an owner or manager of the business with which the owner or manager is or was associated has ever been denied, or is in the process of being denied registration, a permit, a license or any other authorization required to operate a business requiring licensing through the State of California or any other City, County, or State; and whether an owner or manager of the business with which the owner or manager is or was associated has ever had a registration, license, permit or any other authorization required to operate a business that requires a

license in the State of California, or any other City, or County, suspended or revoked, and the reasons therefore.

(1) An estimate of the size of the group of primary caregivers and/or qualified patients who will be served by the medical cannabis facility.

(2) An operations plan which shall be in conformance with the requirements of this chapter and shall include:

(i) A list of the names, addresses, telephone numbers, and responsibilities of each owner and manager of the facility.

(ii) The hours and days of operation for the facility.

(iii) Designation of the cultivation locations of the applicant or licensee inside and outside the City, and the location of any dispensaries outside the City.

(iv) Whether delivery service of medical cannabis to any location outside the medical cannabis facility will be provided and the extent of such service.

(v) A site plan and floor plan of the facility denoting the layout of all areas of the medical cannabis facility, including storage, cultivation, reception/waiting, and all ancillary support spaces, and the relationship of the facility to adjacent properties and land uses.

(vi) A security plan, including lighting, alarms, and video cameras, to ensure the safety of persons, and to protect the premises from theft, vandalism, and fire. The security plan shall address both interior and exterior areas of the facility and its premises.

(vii) The medical cannabis cultivation procedures to be utilized at the facility, including a description of how chemicals and fertilizers will be stored, handled, used and disposed of; manufacturing methods, the transportation process, inventory procedures, and quality control procedures.

(viii) Procedures for identifying, managing, and disposing of contaminated, adulterated, deteriorated or excess medical cannabis product.

(ix) Procedures for inventory control to prevent diversion of medical cannabis to nonmedical use, employee screening, storage of medical cannabis, personnel policies, and recordkeeping procedures.

(3) The name and address of the owner and lessor of the premises and a copy of the lease or other such proof of the applicant or licensee's right to possess the premises and the owner's acknowledgement that a medical cannabis facility will be operated on his/her property.

(4) Authorization for the Zoning Administrator or designee to seek verification of the information contained within the application, including, but not limited to, a criminal history investigation by the Police Department with the California Department of Justice and any other law enforcement agencies.

(5) A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.

(6) Before any fees are collected, any such additional and further information as is deemed necessary by the Zoning Administrator or designee to

administer this section or to show that the applicant or licensee is in compliance with the provisions of this chapter.

**Sec. 6-5.040 Exemptions.**

Any medical Cannabis facility operating in good standing with the City of Watsonville before July 1, 2015 shall be subject to an Administrative Review Permit by the Zoning Administrator using the standards set forth in section 6.5.030 and shall be exempt from application of an Administrative Use Permit. Such permits shall be considered by the City to have been in good standing with this ordinance as of July 1, 2015 for the purpose of Section 19328(C) of the Business and Professions Code of the State of California.

**Sec. 6-5.050 Background Check.**

All applicants for a regulatory permit for a medical cannabis facility, including any owner or manager responsible for the day-to-day operations and activities of the medical cannabis facility, and every employee of the applicant or licensee who participates in the cultivation of medical cannabis of the cooperative, licensee, or medical cannabis facility shall be required to submit to a Fingerprint-Based Criminal History Records Check conducted by the City police department.

**Sec. 6-5.060 Grounds for Denial.**

(a) The Zoning Administrator or designee may reject an application upon making any of the following findings:

(1) The applicant made one or more false or misleading statements or omissions on the registration application or during the application process;

(2) The applicant is not the legal representative of the medical cannabis facility;

(3) The applicant fails to meet the requirements of this chapter or any regulation adopted pursuant to this chapter;

(4) The medical cannabis facility or its location is in violation of any provision of this code, or of any state or local law which substantially affects the public health, welfare, and safety, or the facility or its location is not permitted in the proposed area, or the issuing or continuation of a regulatory permit would be contrary to the public health, welfare and safety;

(5) The applicant, or any of its officers, directors, or owners, or any employee of the applicant or licensee who participates in the dispensing, cultivation, processing, manufacturing, or transporting of medical cannabis cooperative, licensee, or medical cannabis facility, has been convicted of a violent felony, a felony or misdemeanor involving fraud, deceit, or moral turpitude, or the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, with the exception of cannabis related offenses, unless the applicant has completed all probation or parole within the last seven (7) years;



(6) The applicant, or any of its officers, directors, owners, or managers, is a licensed physician making patient recommendations for medical cannabis;

(7) The applicant, or any of its officers, directors, owners, or managers has been sanctioned by the City, the State of California, or any City for unregistered medical cannabis activities or has had a registration revoked under this chapter in the previous three years;

(8) The applicant did not pay to the City the required application and processing fees as set forth in section 6-5.070.

(b) The Zoning Administrator or designee may place reasonable conditions upon registration if grounds exist for denial of the registration and those grounds may be removed by the imposition of those conditions.

**Sec. 6-5.070 Fees and Charges.**

(a) Prior to operating in the City of Watsonville, the operator of each medical cannabis facility shall timely and fully pay all fees associated with the registration of that facility. The fees shall be as set forth in the schedule of fees and charges established by resolution of the City Council, including, but not limited to the following:

(1) “Application fee” for accepting a registration application; due and payable in full at the time a registration application is submitted;

(2) “Quarterly operating fee” for the cost to the City of operating a medical cannabis regulatory program; due and payable in full at the time the City issues a regulatory permit and every three months thereafter. Such fee shall be set by Council Resolution;

(3) “Regulatory permit renewal fee” for the cost to the City of processing an application to renew a regulatory permit; due and payable in full at

the time application is made to renew a regulatory permit; This fee shall be equal to the Administrative Use Permit fee.

(4) Any fees for inspection or investigation that are not included within the other fees associated with registration; due and payable in full upon request of the City.

**Sec. 6-5.080 Change in Location; Updated Registration Form.**

(a) Any time an applicant or licensee changes the dispensing or cultivation location specified in the regulatory permit, it shall re-register with City Planning. The process and the fees for re-registration shall be the same as the process and fees set forth for registration in sections 6.5.030 and 6.5.070.

(b) Within fifteen calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of this chapter, including any change in the applicant or licensee's ownership or management members, the applicant or licensee shall file an updated registration form with the Zoning Administrator for review along with a registration amendment fee.

**Sec. 6-5.090 Renewal or Revocation of Regulatory Permit.**

(a) No regulatory permit issued under this chapter may be renewed unless:

(1) A new registration form has been filed with Planning as set forth in section 6.5.030 a minimum of sixty (60) days prior to the expiration date of the regulatory permit;

(2) The annual renewal registration fee, as set forth in section 6.5.070, has been paid to the City; and

(3) The applicant or licensee and its owners and managers all meet the requirements of this chapter for registration.

(b) The Zoning Administrator or designee may elect not to renew a regulatory permit issued under this chapter if:

(1) The applicant or licensee and its owners and managers have not complied at all times with all the requirements for registration as set forth in this chapter;

(2) Any of the standard permit conditions or circumstances included in Sections 6-5.110-170 as applicable, singularly or in combination, of this chapter have occurred; or

(3) The Zoning Administrator or designee is aware of any other facts or circumstances which indicate that renewal of the regulatory permit will be detrimental to the health, safety, and welfare of the residents of the City.

(c) The Zoning Administrator or designee may revoke a regulatory permit issued under this chapter, upon such notice as deemed appropriate by the Zoning Administrator or designee, if:

(1) The applicant or licensee and its owners and managers have not complied at all times with all the requirements for registration as set forth in this chapter;

(2) Any of the conditions or circumstances included in Sections 6-5.110-170 as applicable, singularly or in combination, of this chapter have occurred; or

(3) The Zoning Administrator or designee is aware of any other facts or circumstances which indicate that continued operation of the medical cannabis

facility will be detrimental to the health, safety, and welfare of the residents of the City.

**Sec. 6-5.100 Limitations on City's Liability.**

(a) To the fullest extent permitted by law, the City shall not assume any liability whatsoever, with respect to approving any regulatory permit pursuant to this chapter or the operation of any medical cannabis facility approved pursuant to this chapter. As a condition of approval a regulatory permit as provided in this chapter, the applicant or its legal representative shall:

(1) Execute an agreement indemnifying the City from any claims, damages, injuries, or liabilities of any kind associated with the registration or operation of the medical cannabis facility or the prosecution of the applicant or licensee or its members for violation of federal or state laws;

(2) Maintain insurance in the amounts and of the types that are acceptable to the Zoning Administrator or designee;

(3) Name the City as an additionally insured on all City required insurance policies;

(4) Agree to defend, at its sole expense, any action against the City, its agents, officers, and employees related to the approval of a regulatory permit; and

(5) Agree to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to the City's approval of a regulatory permit. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

**Sec. 6-5.110 Additional Terms and Conditions.**

Based on the information set forth in the application, the Zoning Administrator or designee may impose reasonable terms and conditions on the proposed operations of the medical cannabis facility in addition to those specified in this chapter.

**Sec. 6-5.120 Zoning and Location.**

(a) No Permit to operate a medical marijuana facility shall be issued except in the Industrial Park and General Industrial zoning designations.

(b) An applicant or licensee may have more than one cultivation site upon which medical cannabis is cultivated, so long as each site is permitted.

(c) No medical Cannabis facility shall be located within 600 feet of a school, park, or church, as drawn by the closest path of foot travel from the property line of the school, park, or church, to the nearest entrance of the Cannabis facility

(d) No medical Cannabis facility shall be located within 300 ft of a residential zone. As drawn by the closest path of foot travel from the property line of residential property to the nearest entrance of the Cannabis facility.

(e) No medical Cannabis dispensary shall be within 1000ft of a residential zone, school, church, or park within the City limits of Watsonville, as drawn by the closest path of foot travel from the property line of the school, park, or church, to the nearest entrance of the Cannabis facility.

(f) All medical cannabis cultivation operations, including all cannabis plants at any stage of growth, shall not be visible from the outside of any building.

(g) There shall be no "outdoor" cultivation permitted within the City of Watsonville, including, but not limited to, license type 1, 2, 3, or 4.

**Sec. 6-5.130 Signage.**

(a) Notwithstanding other sections of the City of Watsonville Municipal Code, exterior signage for the facility shall be limited to one exterior building sign not to exceed fifteen square feet in area.

(b) Door and/or window signage not to exceed ten square feet in area; such signs shall not be directly illuminated except during operating hours.

(c) Cannabis facility signage shall not have any reference, through language or symbol, to Cannabis.

(d) Signage shall otherwise be reviewed and approved by the City in accordance with section 6 or chapter 8 of this code.

**Sec. 6-5.140 Standard Conditions for All Medical Cannabis Facilities.**

(a) Any violation of this provision shall result in the immediate suspension of any permit authorized under this chapter, and pending investigation and a hearing, shall result in revocation of the permit at the election of the Zoning Administrator or designee.

(b) Medical cannabis facilities shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all medical cannabis products from the time of delivery until purchase by or distribution to a qualified patient or primary caregiver.

(c) Medical cannabis facilities shall have an electronic point of sale system that produces historical transactional data for review by the Zoning Administrator or designee for compliance and auditing purposes.

(d) Each licensee shall maintain at the premises all records and documents required by this chapter and all the information and records listed below:

(1) The name, address, and telephone number(s) of the owner, landlord and/or lessee of the location;

(2) The name, address, and telephone number of each patient and primary caregiver, along with a copy of the written documentation provided by each qualified patient designating his or her primary caregiver;

(3) The name, business address, and telephone number of each attending physician who provided a physician's recommendation for any patient of the licensee. The physician must be treating the patient for the medical condition for which medical cannabis is being recommended;

(4) The records of all qualified patients with a valid identification card and primary caregivers with a valid identification card may be maintained by the applicant or licensee using only the identification card number issued by the state pursuant to California Health and Safety Code Section 11362.7 et seq., in lieu of the information required by sections 6.5.190.B.2.a. through c., B.3, and B.4.;

(5) Complete and up-to-date records regarding the amount of medical cannabis cultivated, produced, harvested, stored, packaged, transported or delivered;

(6) Complete and up-to-date records regarding medical cannabis transfers from the applicant or licensee's cultivation site to dispensing location(s), including the date and time of the transfer; the name and address of the cultivation facility and the name and address of the supplier if different from the cultivation facility; the amount, form, type, batch and lot number of cannabis transferred; the time of departure from the cultivation facility; the time of arrival at the dispensing location; the names of the employees transporting the product;

and the name of the employee who received the product at the dispensing location;

(7) Complete and up-to-date records documenting each transfer of medical cannabis from the applicant or licensee's dispensing location to patients including the amount provided, the form or product category in which the medical cannabis was provided, the date and time provided, the name of the employee making the transfer, and the amount of monetary or other transaction;

(8) All receipts of the licensee, including but not limited to all contributions and all expenditures incurred by the licensee for the cultivation and dispensing of medical cannabis;

(e) Proof of completed registration with the Zoning Administrator in conformance with this chapter;

(f) Records demonstrating compliance with state and federal rules and regulations regarding reporting and taxation of income received; and

(g) All medical cannabis facilities shall perform an inventory on Cannabis products at least once per month and shall record the total quantity of each form of cannabis on the premises.

(h) All records required by this section shall be maintained by the applicant or licensee for a period of seven years and shall be made available by the applicant or licensee to any City official or third party charged with enforcing the provisions of this code upon request, with or without a warrant.

(i) Each medical cannabis facility shall provide the Zoning Administrator or designee with the name, telephone number, and email address of an on-site community relations or staff person or other representative to whom the City can provide notice if



there are operating problems associated with the medical cannabis facility or refer members of the public who may have any concerns or complaints regarding the operation of the medical cannabis facility. Each medical cannabis facility shall also provide the above information to all businesses and residences located within 500 feet of the medical cannabis facility within 30 days of permit issuance, measured from property line to property line.

(j) During the first year of operation under this Ordinance, the owner, manager, and community relations representative from each medical cannabis facility holding a valid regulatory permit issued by the City shall attend a quarterly meeting with the Zoning Administrator and/or designee to discuss costs, benefits and other community issues arising as a result of implementation of the medical cannabis regulatory permit program authorized by this chapter. After the first year of operation, the owner, manager, and community relations representative from each such medical cannabis facility shall meet with the Zoning Administrator and/or designee when and as requested by the Zoning Administrator or designee.

(k) Within fifteen calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of this chapter, including any change in the applicant or licensee's ownership or management members, the applicant or licensee shall file an updated registration form with the Zoning Administrator for review along with a registration amendment fee.

(l) The transport of medical cannabis shall only occur during daylight hours.

**Sec. 6-5.150 Standard Conditions for the Cultivation of Medical Cannabis.**

(a) The applicant shall prohibit loitering by persons outside the facility, either on the premises or within one hundred feet of the premises.

(b) The cultivation of medical cannabis shall not create hazards due to the use or storage of materials, processes, products, chemicals, fertilizers, or wastes.

(c) The interior and exterior of the medical cannabis facility, including driveways, sidewalks, parking strips, fire access roads and streets on or adjacent to the premises shall be kept in a clean and safe condition.

(d) Exterior lighting on the premises and location shall ensure the safety of the public and the members and employees of the applicant or licensee while not disturbing surrounding residential or commercial areas.

(e) Each licensee shall operate in a manner such that the cultivation of medical cannabis does not adversely affect the health or safety of nearby properties through the creation of mold, mildew, dust, glare, heat, noise noxious gasses, odor, smoke, traffic, vibration, or other impacts.

(f) Security cameras shall be installed throughout the facility to monitor both the interior and exterior of the building. The system shall have a 30 day loop installed for all cameras and shall be monitored by a third party security company.

**Sec. 6-5.160 Compliance.**

(a) All medical cannabis facilities shall pay any applicable sales, use, business or other tax, and all license, registration, or other fees pursuant to federal, state, and local law.

(b) All medical cannabis facilities and their related licensees or cooperatives shall fully comply with all the provisions of the Compassionate Use Act of 1996, the Medical cannabis Program Act, the 2008 Attorney General Guidelines, any subsequently enacted state law or regulatory, licensing, or certification requirement, all

applicable provisions of this code, and any specific, additional operating procedures and measures as may be imposed as conditions of approval of the regulatory permit.

(c) Nothing in this chapter shall be construed as authorizing any actions which violate state or local law with regard to the cultivation, transportation, manufacture, provision, sale, transfer, or disposition of medical cannabis.

**Sec. 6-5.170 Inspections and Enforcement.**

(a) The Zoning Administrator or designee shall have the right to enter all medical cannabis facilities from time to time unannounced during the facility's hours of operation for the purpose of making reasonable inspections to observe and enforce compliance with this chapter, to inspect and copy records required to be maintained under this chapter, or to inspect and view recordings made by security cameras, all without requirement for a search warrant, subpoena, or court order.

(b) Nothing in this chapter requires the disclosure of any patient's private medical record.

(c) Operation of the medical cannabis facility in non-compliance with any conditions of approval or the provisions of this chapter shall constitute a violation of the City Code and shall be enforced pursuant to the provisions of this code.

(d) The Zoning Administrator or designee may summarily suspend or revoke a medical cannabis regulatory permit, or disqualify an applicant from the registration process, or elect not to renew a regulatory permit if any of the following, singularly or in combination, occur:

(1) The Zoning Administrator or designee determines that the medical cannabis facility has failed to comply with any requirement of this chapter or any condition of approval or a circumstance or situation has been created that would

have permitted the Zoning Administrator or designee to deny the regulatory permit under section 6.5.060;

(2) The cooperative, licensee, or medical cannabis facility has conducted itself or is being conducted in a manner that creates or results in a public nuisance;

(3) Ownership is changed without the new owners securing a regulatory permit;

(4) The applicant or licensee relocates to a different location or premises;

(5) The medical cannabis facility fails to allow inspection and/or copying of the security recordings, the activity logs and records required under this chapter, or the premise by authorized City officials.

#### **Sec. 6-5.180 Appeals.**

Any decision regarding or pertaining to the regulatory permit process set forth in this chapter, or any action taken by the Zoning Administrator or designee pursuant hereto, may be appealed to the City Council. Such appeal shall be taken by filing with the City clerk, within ten (10) days after notice of the action or decision complained of has been issued, a written statement setting forth the grounds for the appeal. The City clerk shall transmit the written statement to the City Council and at its next regular meeting the council shall set a time and place for a hearing on the appeal. Notice of the time and place of such hearing shall be mailed to the appellant. The decision of the City Council on such appeal shall be final and binding on all parties concerned.

**Sec. 6-5.190 Violations.**

(a) Any violation of any of the provisions of this chapter is unlawful and a public nuisance.

(b) Any violation of any of the provisions of this chapter shall constitute a misdemeanor violation and upon conviction thereof any violation shall be punishable by a fine not to exceed one thousand dollars (\$1,000.00), or by imprisonment in the City jail for a period of not more than six months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.

(c) In lieu of issuing a misdemeanor citation, the City may issue an administrative citation, and/or assess an administrative fine of up to one thousand dollars (\$1,000.00) for each violation of this ordinance.

(d) A separate offense occurs for each day any violation of this chapter is continued and/or maintained.

(e) The remedies provided herein are not to be construed as exclusive remedies, and in the event of violation, the City may pursue any proceedings or remedies otherwise provided by law.

**SECTION 2. PUBLICATION.**

This ordinance shall be published in the Watsonville Register-Pajaronian and/or Santa Cruz Sentinel in compliance with the provisions of the Charter of the City of Watsonville.

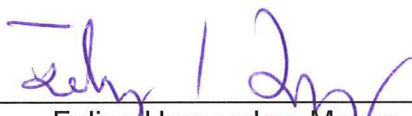
**SECTION 3. EFFECTIVE DATE.**

This ordinance shall be in force and take effect thirty (30) days after its final adoption.

\*\*\*\*\*

The foregoing ordinance was introduced at regular City Council meeting of the City of Watsonville, held on the 12<sup>th</sup> day of January, 2016, by Member Dutra, who moved its adoption, which motion being duly seconded by Member Coffman-Gomez, was upon roll call carried and ordered printed and published by the following vote:

AYES: COUNCIL MEMBERS: **Bilicich, Coffman-Gomez, Dutra, Garcia**  
NOES: COUNCIL MEMBERS: **Cervantez Alejo, Hurst, Hernandez**  
ABSENT: COUNCIL MEMBERS: **None**

  
\_\_\_\_\_  
Felipe Hernandez, Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

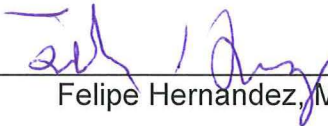
ORDINANCE NO. 1326-16 (CM)

The foregoing ordinance, having been printed and published as required by the Charter of the City of Watsonville, and coming on for final consideration at the regular meeting of the Council of the City of Watsonville, held on the 26<sup>th</sup> day of January, **2016**, by Member Coffman-Gomez, who moved its adoption, which motion being duly seconded by Member Dutra, was upon roll call carried and the ordinance finally adopted by the following vote:

AYES: COUNCIL MEMBERS: **Bilicich, Cervantez Alejo, Coffman-Gomez, Dutra, Garcia, Hurst, Hernandez**

NOES: COUNCIL MEMBERS: **None**

ABSENT: COUNCIL MEMBERS: **None**

  
\_\_\_\_\_  
Felipe Hernandez, Mayor

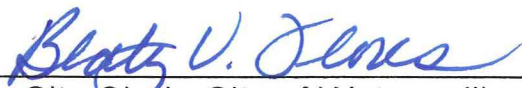
ATTEST:

  
\_\_\_\_\_  
City Clerk

EFFECTIVE DATE:

**February 25, 2016**

I, Beatriz Vázquez Flores, City Clerk of the City of Watsonville, do hereby certify that the foregoing Ordinance No. 1326-16 (CM) of the Council of the City of Watsonville was passed and adopted by the Council thereof on the 26<sup>th</sup> day of January, 2016, and a summary was published according to law to-wit: by publication for one day in the Register Pajaronian issue January 23, 2016.



\_\_\_\_\_  
City Clerk, City of Watsonville

Dated: Feb 4, 2016