



City of Woodland
Meeting Agenda
Planning Commission

City Hall
Council Chambers
300 First Street
Woodland, CA 95695

May 5, 2022
6:30 PM

Please Note: The numerical order of items on this agenda is for the convenience of reference; items may be taken out of order. No new items shall begin after 10:30 pm unless unanimous consent exists to continue.

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. STAFF AND COMMISSIONER COMMENTS

This is an opportunity for the Planning Commission members and staff to make comments and announcements to express concerns, or to request Commission's consideration of any items a Commission member would like to have discussed at a future Commission meeting.

E. SUBCOMMITTEE REPORTS

F. COMMUNICATIONS FROM THE PUBLIC

G. APPROVAL OF MINUTES

H. PUBLIC HEARING

1. SUBJECT: Consideration of Zoning Ordinance Amendments related to Commercial Cannabis Retail Uses

RECOMMENDATION FOR ACTION: Staff recommends that the Planning Commission:

1. Receive a Report;
2. Conduct a public hearing;
3. Find that this Ordinance is not a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061 (b) (3) of Title 14 of the California Code of Regulations as set forth in this Ordinance; and
4. Adopt Resolution No. PC 22-____, recommending that the City Council adopt amendments to Chapter 17.110 of the City of Woodland Zoning Code, Exhibit B of the Interim Zoning Code, and Table 8.1 of the Downtown Specific Plan.

I. BUSINESS ITEMS

J. STAFF OR COMMISSIONER COMMENTS

K. ADJOURNMENT

The Planning Commission of the City of Woodland encourages all parties interested in a matter scheduled to be reviewed, discussed and acted on at a meeting, to participate in the public discourse, which may include the submission of written comments and materials. The Planning Commission notifies the public that those materials received less than 24hours before a meeting date and time may not be able to be considered completely. Further, the Planning Commission encourages interested parties to attend the meeting to discuss any matter of concern and to explain their comments more fully.



TO: THE MEMBERS OF THE PLANNING COMMISSION
AGENDA: Planning Commission Meeting
DATE: May 5, 2022
ITEM #: H.1
SUBJECT: Consideration of Zoning Ordinance Amendments related to Commercial Cannabis Retail Uses

Recommendation for Action: Staff recommends that the Planning Commission:

1. Receive a Report;
2. Conduct a public hearing;
3. Find that this Ordinance is not a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061 (b) (3) of Title 14 of the California Code of Regulations as set forth in this Ordinance; and
4. Adopt Resolution No. PC 22-____, recommending that the City Council adopt amendments to Chapter 17.110 of the City of Woodland Zoning Code, Exhibit B of the Interim Zoning Code, and Table 8.1 of the Downtown Specific Plan.

Staff Contact:

Cindy Norris, Principal Planner (530) 661-5911, cindy.norris@cityofwoodland.org

Report in Brief:

This item was heard by the Planning Commission on October 7, 2021 and recommended for approval by the City Council. However, the City Council, at a public hearing on November 16, 2021, directed staff to consider additional amendments to the Ordinance regarding buffers for sensitive uses, overconcentration, and social equity requirements. The staff reviewed subsequent amendments with the City Council Cannabis Subcommittee on March 4, 2022, and the joint Planning Commission and Council Subcommittee on March 15, 2022.

Recommended edits to the Zoning Ordinance Chapter 17.110 include:

- Requiring additional information regarding the applicant's experience and qualifications.
- Requiring the applicant's plans to ensure strong community relations and compatibility with the surrounding neighborhood.
- Authorizing the Community Development Director to prepare evaluation and scoring criteria, which may be used for making recommendations to the Planning Commission and City Council.
- Requiring that public notice be provided to all properties within a 600-foot radius of the proposed project site, 10-days prior to any scheduled public hearing date.
- Requiring that a highly visible notice, defined as 4-foot by 8-foot in size, be posted on site.
- Requiring that no cannabis retailer shall be closer than 500-feet to any other cannabis retailer and that no more than two (2) cannabis retailers shall be located within 1,000 feet of each other in order to limit overconcentration.
- Allowing the City Council the ability to consider exceptions to the 600-foot buffer and concentration requirements based on specific findings, such as the separation of cannabis retail uses by a significant physical barrier, no expressed evidence of public concern, potential economic revitalization to the proximate area, and that there will be no public health, safety, or nuisance issues.

Additional requirements will be added to the Commercial Cannabis Business Permit Chapter 5.28 consistent with the recommended Zoning Ordinance amendments for consideration by the City Council.

Discussion:

Zoning

The purpose of a zoning ordinance is to provide land use controls over certain uses consistent with State Law. Zoning generally regulates specified uses (permitted, conditionally permitted or prohibited), where uses may be located, and sets the entitlement process to determine what regulatory body shall consider and approve those uses. All proposed or approved zoning regulations and cannabis uses may be later amended based on further Council direction.

Staff has prepared a Zoning Ordinance amendment to permit, subject to the granting of a conditional use permit, commercial cannabis retail uses. The amended and updated draft Chapter 17.110 of the Zoning Ordinance is included as Attachment 3. The original proposed revisions to the Zoning Code, Interim Zoning Ordinance, and Downtown Specific Plan District A are shown in **black bold and underline**. Subsequent amended text to the Zoning Code Chapter 17.110 is shown in **blue bold and underline**. Amendments to the Interim Zoning Ordinance and Downtown Specific Plan District A are shown in Attachments 4 and 5. A map providing illustrations of proposed cannabis retail land use locations and the 600-foot sensitivity buffer are provided in Attachment 6. A copy of the City Council staff report from November 16, 2021 is provided in Attachment 7. The report provides an in depth discussion of the initial recommendations to the City Council from which amendments are proposed.

Review Process

As provided for in proposed Section 17.110.050 D, the City will allow for 10 possible commercial cannabis CUPs, of which four (4) may only be allocated to cannabis retailers.

It is anticipated that more than four cannabis retail businesses will be interested in applying for a CUP. The City intends to utilize an application submittal start date as a point in time from which CUP applications for commercial cannabis retail uses will be accepted. A specific application submittal application with instructions will be provided. The Community Development Director will develop evaluation criteria that will be utilized to assist in making recommendations to the Planning Commission and City Council. The criteria will be based upon requirements provided in Chapters 17.110 and 5.28. If the City Council approves the final amendment Ordinance, it will become effective 30 days after approval. The City will publish an application review process which will open after the 30 days.

Cannabis Business Permit and Operating Requirements

Every business interested in opening a commercial cannabis business in the City of Woodland will need a CUP, Cannabis Business Permit (CBP), and State of California License. The CBP ordinance, Chapter 5.28 of the Municipal Code, provides the regulatory conditions for cannabis business operations. Amendments to the regulatory ordinance will be considered by the City Council.

Prior to issuance of a CBP, a commercial cannabis business must provide a detailed security plan to be approved by the Chief of Police. All sites are inspected by the Police Department.

Environmental Determination

The proposed Zoning Ordinance amendment imposes reasonable zoning regulations on commercial cannabis uses to ensure that such uses are conditionally permitted in existing and proposed future zones, subject to zoning standards and locational restrictions that minimize access by minors and provide performance evaluations. Accordingly, this Ordinance will not result in any significant change in the environment within the meaning of Section 15061(b)(3) of Title 14 of the California Code of Regulations. Additionally, commercial cannabis uses authorized by this Ordinance are subject to the granting of a conditional use permit, which requires discretionary review subject to the California Environmental Quality Act (CEQA).

The proposed regulatory ordinance establishes a permitting process and reasonable regulations on commercial cannabis businesses, to the extent that such businesses are authorized to operate in the City pursuant to state and local law, and does not independently authorize any particular cannabis business or use to establish or

operate in the City. The regulatory business ordinance is therefore not a project subject to CEQA. As such, the Ordinance is additionally exempt from CEQA review pursuant to Business and Professions Code Section 26055(h).

Public Noticing

The Public Hearing Notice for the Planning Commission hearing was published in a one-eighth page display notice in the Daily Democrat newspaper published on April 26, 2022. Direct emails were provided to all individuals or businesses who had expressed interest or a desire to be noticed. The notice and link to the staff report was provided on the City's Cannabis Web page, under the heading of Cannabis Retail Ordinance, <https://cityofwoodland.org/1336/Cannabis-Retail-Ordinance>. In addition, the City utilized social media to reach the broader community, including the City's listserve business newsletter.

Conclusion:

Staff recommends that the Planning Commission:

1. Receive a Report;
2. Conduct a public hearing;
3. Find that this Ordinance is not a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061 (b) (3) of Title 14 of the California Code of Regulations as set forth in this Ordinance; and
4. Adopt Resolution No. PC 22-____, recommending that the City Council adopt amendments to Chapter 17.110 of the City of Woodland Zoning Code, Exhibit B of the Interim Zoning Code, and Table 8.1 of the Downtown Specific Plan.

Attachments:

1. ATT 1-PC Resolution Retail Cannabis May 5.2022
2. ATT 2 - Recommended CC Zoning Ordinance 17.110
3. ATT 3 - Cannabis Zoning Code 17.110 Text Amendments
4. ATT 4-IZO Comprehensive Use Table Amendments
5. ATT 5-Downtown Specific Plan Table 8.1
6. ATT 6 - Map of Retail Zones Sensitivity Buffer (lbl)
7. ATT 7 - November 16, 2021 CC Staff Report Cover

**PLANNING COMMISSION
RESOLUTION NO. PC 22-__**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
WOODLAND RECOMMENDING THAT THE CITY COUNCIL AMEND
CHAPTER 17.110 OF WOODLAND MUNICIPAL CODE, EXHIBIT B-
COMPREHENSIVE USE TABLE OF THE INTERIM ZONING
ORDINANCE, AND TABLE 8.1 OF THE DOWNTOWN SPECIFIC PLAN
RELATED TO ZONING OF COMMERCIAL CANNABIS RETAIL
BUSINESSES IN THE CITY OF WOODLAND**

WHEREAS, the voters of the State of California adopted Proposition 64, the Adult Use of Marijuana Act, on November 8, 2016, which authorized certain personal cultivation and use of cannabis; and

WHEREAS, on June 27, 2017, the Governor signed SB 94 into law, a budget trailer bill effective immediately, to consolidate state licensing of medicinal and recreational “adult-use” cannabis businesses into a single regulatory scheme, now titled the “Medicinal and Adult-Use Cannabis Regulation and Safety Act” (MAUCRSA); and

WHEREAS, state law authorizes the City of Woodland to either prohibit or regulate commercial cannabis uses; and

WHEREAS, on December 5, 2017, the City Council of the City of Woodland approved Ordinances 1629 and 1630 thereby adding Chapter 17.110 and Chapter 5.28 to establish zoning and business permit regulations regarding commercial cannabis manufacturing, testing, and distribution businesses in the City.

WHEREAS, the City Council determined that allowing reasonable regulations regarding commercial cannabis uses will provide an appropriate balance between the City’s interests in fostering certain commercial, agricultural, and research-related activities while also protecting the public health, safety, and welfare of Woodland residents; and

WHEREAS, the City of Woodland initially prohibited retail sales of cannabis in the City, but in response to expressions of interest from commercial cannabis retailers in locating in the City of Woodland, and based on the City’s desire to gradually integrate cannabis uses into the City provided that the City is able to appropriately mitigate any adverse impacts from such uses, the City is considering allowing retail cannabis businesses to locate in the City subject to specific limitations; and

WHEREAS, the City of Woodland Planning Commission considered the proposed Ordinance to amend the Zoning Code regarding commercial cannabis retail uses during a duly noticed public hearing on September 16, 2021, and voted to recommend that the City Council adopt this Ordinance and the proposed Zoning Code amendments; and

WHEREAS, the City Council upon review of the proposed ordinance requested revisions at the duly noticed public hearing on November 16, 2021; and

WHEREAS, the City of Woodland Planning Commission considered the updated proposed Ordinance to amend the Zoning Code regarding commercial cannabis retail uses during a duly noticed public hearing on May 5, 2022, and voted to recommend that the City Council adopt the Ordinance and the proposed Zoning Code amendments; and

WHEREAS, the Planning Commission finds that this Ordinance is in general conformance with the City's General Plan and that the public necessity, convenience, and general welfare require the adoption of this Ordinance to balance the City's interests in maintaining and developing certain commercial cannabis activities in the City while preserving the public health and safety of Woodland residents; and

WHEREAS, the Planning Commission also finds that adoption of this Ordinance preserves and clarifies the City's intended Zoning regulations regarding cannabis uses and is intended to retain and maintain local land use authority over those uses in light of State law and State licensing of commercial cannabis uses; and

WHEREAS, the Planning Commission finds that this Ordinance establishes reasonable zoning restrictions regarding certain commercial cannabis uses that may be conditionally permitted in existing zones with similar uses in the City, and therefore this Ordinance will not result in any significant changes to the character or use of properties in the City and is not a project with the potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis, and is categorically exempt from CEQA pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations and Business and Professions Code Section 26055(h); and

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission of the City of Woodland, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby make the above findings, determinations, and recommendations with respect to the proposed Ordinance and recommends to City Council approval of the proposed Ordinance, as revised by the Planning Commission and attached hereto.

PASSED AND ADOPTED by the Planning Commission of the City of Woodland at regular meeting of the Planning Commission held on the 5th day of May 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Marco Lizarraga Vice Chairman

Planning Commission Secretary

Cindy Norris, Principal Planner

Attachment A:	Proposed City Council Ordinance
Attachment B:	Proposed Amendments to Chapter 17.110 to the City of Woodland Municipal Code Related to Zoning of Commercial Cannabis
Attachment C:	Proposed Amendments to the Land Use Table B of the Interim Zoning Ordinance
Attachment D:	Proposed Amendments to the Downtown Specific Plan Table 8.1

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOODLAND AMENDING CHAPTER 17.110 TO THE CITY OF WOODLAND MUNICIPAL CODE, EXHIBIT B THE COMPREHENSIVE USE TABLE OF THE INTERIM ZONING ORDINANCE, AND TABLE 8.1 OF THE DOWNTOWN SPECIFIC PLAN RELATED TO ZONING OF COMMERCIAL CANNABIS RETAIL BUSINESSES IN THE CITY OF WOODLAND

WHEREAS, the City of Woodland’s Municipal Code prohibits any person from carrying on a business in the City that is in violation of state or federal law; and

WHEREAS, the voters of the State of California adopted Proposition 64, the Adult Use of Marijuana Act, on November 8, 2016, which authorized certain personal cultivation and use of cannabis; and

WHEREAS, on June 27, 2017, the Governor signed SB 94 into law, a budget trailer bill effective immediately, to consolidate state licensing of medicinal and recreational “adult-use” cannabis businesses into a single regulatory scheme, now titled the “Medicinal and Adult-Use Cannabis Regulation and Safety Act” (MAUCRSA); and

WHEREAS, state law authorizes the City of Woodland to either prohibit or regulate commercial cannabis uses; and

WHEREAS, on December 5, 2017, the City Council of the City of Woodland approved Ordinances 1629 and 1630 thereby adding Chapter 17.110 and Chapter 5.28 to establish zoning and business permit regulations regarding commercial cannabis manufacturing, testing, and distribution businesses in the City.

WHEREAS, the City Council of the City of Woodland has determined that reasonable regulations regarding the establishment of commercial cannabis businesses in the City, as defined in this Ordinance and consistent with State law, will provide an appropriate balance between the City’s interests in fostering certain commercial, agricultural, and research-related activities while also protecting the public health, safety, and welfare of Woodland residents; and

WHEREAS, the City of Woodland Planning Commission considered the proposed Ordinance to amend the Zoning Code regarding commercial cannabis retail uses during a duly noticed public hearing on October 7, 2021, and voted 5-0, 1 absent, to recommend that the City Council adopt this Ordinance and the proposed Zoning Code amendments; and

WHEREAS, the City Council of the City of Woodland considered the proposed Ordinance to amend the Zoning Code regarding commercial cannabis retail uses during a duly noticed public hearing on November 16, 2021, and requested that staff consider additional amendments; and

WHEREAS, The City of Woodland Planning Commission considered the proposed amendments to the Zoning Code regarding commercial cannabis retail uses during a duly noticed public hearing on May 5, 2022, and voted _____ to recommend that the City Council adopt this Ordinance and the proposed Zoning Code amendments; and

WHEREAS, the City Council finds, based on the Planning Commission's recommendation, that this Ordinance is in general conformance with the City's General Plan and that the public necessity, convenience, and general welfare require the adoption of this Ordinance to balance the City's interests in maintaining and developing certain commercial cannabis activities in the City while preserving the public health and safety of Woodland residents; and

WHEREAS, the City Council also finds that adoption of this Ordinance preserves and clarifies the City's intended Zoning regulations regarding cannabis uses and is intended to retain and maintain local land use authority over those uses in light of State law and State licensing of commercial cannabis uses; and

WHEREAS, the City Council finds that this Ordinance will not result in any significant changes to the character or use of properties in the City and is not a project with the potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis, and is categorically exempt from CEQA; and

NOW, THEREFORE, the City Council of the City of Woodland does hereby ordain as follows:

Section 1. Chapter 17.110 of the Woodland Municipal Code is hereby amended to read as set forth in Exhibit A, with removals identified in strike out and text additions identified with bold/underline.

Section 2. Exhibit B, the Comprehensive Land Use Table of the Interim Zoning Ordinance, is hereby amended to read as set forth in Exhibit B, with text removals identified in strike out and text additions identified with bold/underline.

Section 3. Table 8.1 of the Downtown Specific Plan, is hereby amended to read as set forth in Exhibit C, with text removals identified in strike out and text additions identified with bold/underline.

Section 4. **Severability.** If any provision, clause, sentence, or paragraph of this Ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this Ordinance that can be given effect without the invalid provision or application, and to this end, the provisions of this Ordinance are declared to be severable.

Section 5. **CEQA.** The City Council hereby finds that the Zoning regulations in this Ordinance are consistent with existing zoning standards that apply to other similar commercial uses in the City.

Section 6. **Effective Date.** This Ordinance shall take effect thirty (30) days after its adoption

PASSED AND ADOPTED by the City Council of the City of Woodland at a regular meeting of the City Council held on the 17th day of May 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Mayra Vega, City Mayor

Ana Gonzalez, City Clerk

Approved as to Form:

Ethan Walsh, City Attorney

Exhibit A: Chapter 17.110 of the Woodland Municipal Code as amended

Exhibit B: Comprehensive Land Use Table of the Interim Zoning Ordinance as amended

Exhibit C: Table 8.1 of the Downtown Specific Plan as amended

Woodland Municipal Code

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17.110.010 Purpose.

The purpose of this chapter is to impose zoning restrictions on commercial cannabis businesses in the City of Woodland as authorized and/or licensed by the State of California pursuant to State law. This chapter is not intended to, and does not, give any person or entity independent legal authority to operate a cannabis business. Rather, it is intended to impose zoning restrictions regarding cannabis businesses that may operate in the City pursuant to this code and State law. This chapter is in addition to any other business license and regulatory requirements imposed on cannabis businesses by this code or other applicable law. (Prior code § 25-21.6-10)

17.110.020 Applicability.

No part of this chapter shall be deemed to conflict with Federal law, as contained in the Controlled Substances Act, nor to otherwise permit any activity that is prohibited under that Act or any other local, State, or Federal law, statute, rule, or regulation. Nothing in this chapter shall be construed to allow any conduct or activity relating to cultivation, distribution, dispensing, sale or consumption of cannabis that is otherwise illegal under local or State law. No provision of this chapter shall be deemed a defense or immunity to any action brought against any person by the Yolo County District Attorney's office, the Attorney General of the State of California, or the United States of America. (Prior code § 25-21.6-20)

17.110.030 Definitions.

The following words and phrases shall have the following meanings when used in this section:

“Cannabis” means all or any 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 cannabis, and cannabis as defined by Section 11018 of the California [Health and Safety Code](#), as it may be amended. For purposes of this chapter, “cannabis” means and includes both cannabis for medical purposes and non-medical, “adult-use” purposes, unless otherwise specified. **Cannabis shall does**, but does not include industrial hemp.

“Cannabis business” means a business activity, including, but not limited to, planting, cultivation, harvesting, transporting, manufacturing, compounding, converting, processing, preparing, storing, packaging, distributing, researching, testing, providing, or selling wholesale and/or retail sales of cannabis. A cannabis business includes any facility, building structure, or location, expressly including dispensaries and deliveries, and shall expressly include those commercial cannabis activities authorized and/or licensed by State law.

“Cannabis cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis licensed by the State and intended for commercial sale. For purposes of this chapter, cannabis cultivation does not mean or include personal cultivation of cannabis regulated by Chapter [17.108](#).

“Cannabis distribution facility” means any facility engaged in the procurement, temporary storage, non-retail sales, and transport of cannabis or cannabis products between State-licensed cannabis business, including warehouses and similar structures.

“Cannabis laboratories and research” means a laboratory, facility, or entity that offers or performs tests or testing of cannabis or cannabis products, including accredited testing laboratories licensed by the State and involved in commercial cannabis activity in the State. Cannabis laboratories and research also includes start-up or incubator research activities, which typically include, but are not limited to, research, design, analysis, development, and/or testing of a cannabis product, and laboratories or facilities engaged in scientific research studies, investigation, testing, or experimentation, but not including cannabis manufacturing or sales of cannabis.

“Cannabis manufacturing” means the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product. For purposes of this chapter, cannabis manufacturing expressly includes the production, preparation, propagation, processing, or compounding of cannabis or cannabis products directly or indirectly, including through extraction and/or chemical synthesis methods. Cannabis manufacturing may include distribution of wholesale products from the premises, but shall not include any retail sales of cannabis or cannabis products or other sales to consumers.

“Cannabis retailer” means a premises permanently located in the City licensed by the State of California pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act, California [Business and Professions Code](#) Section 26000 et seq., as may be amended, where cannabis is provided for retail sale to consumers, including an establishment that delivers cannabis as part of a retail sale. Unless otherwise specified, “cannabis retailer” means both a retailer selling medical cannabis and medical cannabis products to patients with valid physician’s recommendations, and a retailer providing adult-use cannabis and cannabis products for adults 21 years of age and over, pursuant to State law. (Prior code § 25-21.6-30)

“Temporary Cannabis Event” means a temporary cannabis event where people can sell and consume cannabis. These events last from one to four days.

17.110.040 General conditions.

A. No cannabis business may operate in any zoning district in the City of Woodland except as expressly permitted by and in conformance with the provisions of this chapter. No cannabis business may engage in the retail sales of cannabis unless expressly permitted or conditionally permitted pursuant to this chapter. **No temporary cannabis events shall be permitted or conditionally permitted.**

B. Any cannabis business permitted by this chapter must, prior to operating a cannabis business, obtain and maintain at all times a valid license issued by the State of California, as may be applicable, and any other local or regulatory licenses required by this code. Any cannabis business operating without a valid license from the State of California shall cease operations until a valid State license is obtained, in addition to any other State and local requirements that may apply.

C. Pursuant to California [Business and Professions Code](#) Section 26054(b), as may be amended, no cannabis business may be located within a 600-foot radius of a school providing K-12 instruction, a day care center or a youth center in existence at the time the license is issued. Additionally, no cannabis business may be located within a 600-foot radius of a public park. (Prior code § 25-21.6-40)

(1) The City Council may make an exception if there is clear evidence based on considerations such as the separation of sensitive uses by a significant physical barrier, no expressed evidence of public concern, and the potential revitalization of an existing blighted condition, that there will be no public health, safety, or nuisance issues due to closer proximity of cannabis retail uses to an identified sensitive use.

17.110.050 City Council review.

A. The Planning Commission shall review all conditional use permit applications submitted pursuant to this chapter and provide a recommendation regarding approval to City Council.

B. The City Council shall serve as the final review authority for all conditional use permit applications submitted pursuant to this chapter, and is authorized to approve or deny issuance of all cannabis conditional use permits.

C. In evaluating whether to recommend approval or approve conditional use permit applications, the Planning Commission and City Council shall consider the following factors, in addition to all other requirements provided for in Chapter [17.132](#) of this title:

1. The type of proposed use by the applicant;
2. Whether the proposed use will be detrimental to the health, safety and welfare of the community;
3. Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties;

4. Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts;
5. The extent of support or opposition to the proposed use and location from members of the community, and applicant's plans to ensure strong community relations and compatibility with the surrounding neighborhood;
6. The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location;
7. The extent to which the proposed use would cause a further overconcentration of that particular type of use in the area;
8. The background and the history of the applicant, including the experience and qualifications of the applicant and those persons involved in the management, oversight and day to day operations of the proposed use, the professional training and certifications of the applicant and/or persons involved in the management, oversight and day to day operations of the proposed use, and the nature and extent of problems on any premises where ~~he or she~~ the applicant has operated a cannabis business in the past; and
9. Whether there is a history of police or crime-related problems in the area of the proposed location which may be exacerbated by establishment of the proposed cannabis use.
10. Whether the proposed license would enhance recreational or entertainment opportunities in the area.

D. The City Council is authorized to approve up to a maximum of six total conditional use permits for commercial cannabis manufacturing, distribution and/or testing businesses pursuant to this chapter. The City Council is authorized to approve up to a maximum of four total conditional use permits for cannabis retailers pursuant to this chapter. (Prior code § 25-21.6-50).

E. The community development director or designee is authorized to administer reasonable guidelines and policies, including appropriate application periods for accepting requests for zoning approvals and use permits for cannabis retailers, consistent with this section, and evaluation and scoring criteria that may be used for the selection of cannabis retailers, in the event that the City receives more applications than the number of available conditional use permits. The community development director or designee may use such evaluation and scoring criteria for making recommendations to the Planning Commission and City Council on the proposed uses.

F. The community development director or city council may address additional development and operational standards through conditions on the conditional use permit as it determines necessary or appropriate for the cannabis retailer conditional use permit under consideration, provided that any such conditions shall not conflict with operating requirements that may be applicable pursuant to other provisions of this Code.

17.110.060 Cannabis manufacturing.

Cannabis manufacturing may be permitted, subject to the requirements of this code, including all applicable performance standards, and the granting of a conditional use permit as provided for in Chapter 17.132, in the industrial (I) and industrial with light industrial flex overlay (I/LIF) zones. (Prior code § 25-21.6-60)

17.110.070 Cannabis laboratories and research.

Cannabis laboratories and research facilities may be permitted, subject to the requirements of this code, including all applicable performance standards, and the granting of a conditional use permit as provided for in Chapter 17.132, in the industrial (I) and industrial with light industrial flex overlay (I/LIF) zones. Cannabis laboratories and research facilities are prohibited from engaging in commercial cultivation, manufacturing, distribution and sales of cannabis. (Prior code § 25-21.6-70)

17.110.080 Cannabis distribution facilities.

Cannabis distribution facilities may be permitted, subject to the requirements of this code, including all applicable performance standards, and the granting of a conditional use permit as provided for in Chapter 17.132, in the industrial (I) and industrial with light industrial flex overlay (I/LIF) zones. (Prior code § 25-21.6-80)

17.110.090 Cannabis cultivation.

Cannabis cultivation is prohibited. (Prior code § 25-21.6-90)

17.110.100 Cannabis retailers.

A. Cannabis retailers may be permitted, subject to the requirements of this code including all applicable performance standards, and granting of a conditional use permit as provided in Chapter 17.132, and Section 17.110.050, in the Corridor Mixed Use East Street (CMU-E), Corridor Mixed Use West Main (CMU-WM), Corridor Mixed Use Kentucky (CMU-K); Corridor Mixed Use Light Industrial Flex Overlay (CMU-LIF), Community Commercial, Regional Commercial Light Industrial Flex Overlay (RC-LIF), Downtown Mixed Use (DMU) zone, District A. Cannabis retailers are prohibited in all other zoning districts of the City. Cannabis retailers are prohibited. (Prior code § 25-21.6-100)

B. Cannabis retailers that will not be open to the public and that perform sales exclusively by delivery are prohibited.

C. Cannabis retailers may include a cannabis distribution facility as an accessory use to serve the on-site business pursuant to this chapter and shall be subject to the following:

- (1) The distribution facility shall be appurtenant and incidental to the retail use, both in terms of size and use and shall only be used to support the retail facility that is the primary use on site and, if applicable, other retail facilities owned and operated by the applicant. The distribution facility shall not be used for distribution of cannabis or cannabis products to other cannabis retailers.
- (2) The distribution facility shall not be predominantly visible to the public from the street frontage adjacent to the cannabis retailer or if the distribution facility is located within a commercial center, the distribution facility shall not be a specific and identifiable use apart from the cannabis retailer.
- (3) There shall be adequate parking and loading on site to serve both the cannabis retailer and the distribution facility, and spaces for loading associated with the distribution facility shall be located in the rear of the applicable property, outside of view from the street frontage or frontage of the commercial center. Only smaller vehicles, vans, or sprinter vans shall be used for delivery vehicles. Larger trucks, such as CA legal "Semi-trucks" or "18-wheelers", and any trucks over five-tons are prohibited from delivering cannabis product on site. The location and storage of all vehicles used for the cannabis business shall be provided in a safe and secure manner and meet all security requirements of the City of Woodland Police Chief and applicable State requirements.
- (4) Accessory distribution facilities shall comply with all provisions applicable to cannabis distribution facilities as a primary land use.

D. Public notice of a commercial cannabis retail conditional use permit application shall be provided to all properties within a minimum 600-foot radius 10 days prior to any scheduled public hearing date, and the site shall be posted with a highly visible notice.

- (1) The highly visible notice shall be a minimum of 4 foot x 8 foot in size mounted on a freestanding sign or posted on the building frontage.
- (2) The applicant shall be responsible for posting the site consistent with a format provided by the City, and shall provide verification of such posting.

E. Cannabis retailers shall be no closer than 500-feet to each other, and no more than two (2) cannabis retailers shall be located within a 1,000 foot radius, except under the following circumstances:

- (1) The City Council may make an exception to Section 17.110.100 E if there is clear evidence based on

considerations such as the separation of cannabis retail uses by a significant physical barrier, no expressed evidence of public concern, and potential economic revitalization to the proximate area, that there will be no public health, safety, or nuisance issues resulting from the closer proximity of one cannabis retail use to another.

17.110.110 Additional regulatory requirements.

In addition to complying with all applicable requirements in this chapter and obtaining a State license for commercial cannabis activities, no commercial cannabis use may operate in the City without first obtaining a cannabis business permit. (Prior code § 25-21.6-110)

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EXHIBIT B - COMPREHENSIVE USE TABLE - SUMMARY OF ALLOWED LAND USES AND PERMIT REQUIREMENTS

Adopted May 1, 2018 (Rev April 7, 2020) **(Revised XX, 2021)**

	Zoning District										
LAND USE	Corridor Mix Use (CMU)				Commercial			Industrial		Residential	Comments
	CMU-East	CMU-Kentucky	CMU-West Main	CMU-Light Industrial Flex Overlay	Community Commercial	Regional Commercial	Regional Commercial Light Industrial Flex Overlay	Industrial Light Industrial Flex Overlay	Industrial	High Density Residential	<i>P = Permitted A = Zoning Administrator Permit C = Conditional Use Permit “-“ = Not Permitted L = Special Criteria – Provides clarification whether a use is allowed, when and under what conditions. *See the Industrial Use Table 3 of the Zoning Ordinance for permitted, conditionally permitted or prohibited uses. This table supplements or clarifies Table 3. If a cell is blank, see Table 3 for reference..</i>
	CMUE	CMUK	CMUWM	CMU/LIF	CC	RC	RC/LIF	I/LIF	I*	HDR	
COMMERCIAL CANNABIS USES											
Manufacturing: both volatile and non-volatile (limited to manufacturing for wholesale, distribution for resale); Retail (on-site) sales prohibited	-	-	-	-	-	-	-	C	C	-	Sections 17.110.60 and 5.2804
Testing, Research and Development: Retail (on-site) sales prohibited.	-	-	-	-	-	-	-	C	C	-	Sections 17.110.60 and 5.28
Distribution: Retail (on-site) sales prohibited	-	-	-	-	-	-	-	C	C	-	Sections 17.110.60 and 5.28
Retailers: Storefront (Dispensaries): prohibited	C-L38	C-L38	C-L38	C-L38	C-L38	-	C-L38	-	-	-	A storefront retail use may include delivery Distribution as an accessory use may be allowed Section 17.110
Retailers: (Delivery only): prohibited	-	-	-	-	-	-	-	-	-	-	
Indoor Commercial Cultivation: prohibited	-	-	-	-	-	-	-	-	-	-	
Outdoor Cultivation: prohibited	-	-	-	-	-	-	-	-	-	-	
Indoor Personal Cultivation	L31	L31	L31	L31	-	-	-	-	-	-	

SPECIAL LIMITATIONS:
L1 May be allowed with a Zoning Administrator use permit
L2 Residential or other similar sensitive uses may be considered on the south side of Kentucky Avenue, but on the north side these uses may only be allowed with an approved Specific Plan.
L3 A Zoning Administrator Permit is required for more than 2,000 sq. ft.
L4 Cannot be located within 500 feet of a school or park.
L5 Over 10,000 square feet, may be approved with a Zoning Administrator Permit.
L6 Allowed on a shopping center site as an accessory use within an enclosed structure, which may be portable.
L7 Only allowed on the rear half of a lot and not within 500 feet of a school or public park, must be located more than 750 feet from any following zones: OS, R-1, R-2, NP, or RM, must be more than 1,000 feet from any other adult book store or adult motion picture theater, and a conditional use permit is required. Refer to Section 17.104.170
L8 Only allowed as an accessory use to a gas station or car dealership, typically on the same parcel. Drive through lane and wash stall area shall be screened from public view.
L9 Not allowed under 5,000 square feet in the RC,RC/LIF, CMU, CC districts, and only if associated with a service station. No hard alcohol sales may be allowed if associated with a service station.
L10 Shall be designed to minimize noise, light, glare, vibration, and other nuisance concerns. Where adjacent to a residential district shall require a Zoning Administrator Permit.
L11 A conditional use permit required if site is abutting a residential zone.
L12 – Up to 10% of the total square footage of shops within a regional commercial center may consist of ancillary office spaces that support other uses. Limit does not apply to stand alone, professional office buildings.
L13 – Requires a master plan in which 50% shall be commercial or uses other than mini-storage and all necessary access and utility easements and improvements are identified and installed as necessary to ensure adequate service to the site and master plan areas; mini-storage portions shall be set back from a street frontage and no closer than 300- feet from an arterial , buildings shall be a minimum of two stories where adjacent to freeway or major arterial to screen views; buildings shall exhibit exemplary architectural design, and facilitate a lively and vibrant street/active street frontage. The project shall incorporate conservation and sustainability features to achieve net zero energy use, shall provide a lighting and security plan, and shall demonstrate measurable community benefit in a manner agreed upon by the City and memorialized in a documented agreement.
L14 - All materials stored outside must be fully screened from view from any rights of way and below fence height. If outdoor storage of materials or equipment is adjacent to a residential district a conditional use permit is required. Any work bay area shall be screened from public view.
L14a – Outdoor storage may only be allowed in conjunction with an existing active business located and operated within a building and active business license. The storage or truck parking area must be an accessory use to the existing business. A single use outdoor storage or truck parking lot is not permitted.

- L15 – On-site rental car parking is limited to the minimum needed for immediate customer pick up only, no on site storage of cars.
- L16 - Subject to Section 17.104.180; Wireless Facilities Ordinance
- L17 – Auto sales in an open lot may be considered as an accessory use to a retail showroom and service area, or as part of a complete dealership complex. Site access, internal vehicle circulation, auto-display, and landscaping are subject to review. No surface parking lot or outdoor display area solely intended for the sale of new or used cars and not accessory to an indoor showroom is allowed as a primary use on a site
- L17a- Used car sales must be associated with a new car dealership, except for large format used car dealerships (as example Carmax). A single use used car sale lot is not permitted.
- L18 – In the Industrial areas small-scale establishments serving local businesses are allowed. The proximity of fast food uses within 1/2 mile of schools, youth facilities or residential uses shall be evaluated for overconcentration. The General Plan emphasized “dining” and “slow food: establishments.
- L19 -.Reserved
- L20 - Zoning Administrator permit is required for more than 3,000 sq. ft.
- L21 - Drive through fast food may not be allowed within 1/2 mile of a school, evaluate the extent of overconcentration of existing or proposed fast food restaurants and drive through fast food within 1,000 feet of the proposed location, minimize the siting of unhealthy land uses, and evaluate the impact to the City’s GHG emissions. See Section 3.06
- L22 - Only allowed as a secondary use occupying less than one-third of the floor area in a multi-tenant building.
- L23 - Allowed within a shopping center on in an Industrial zone on the site of a recycling processing facility and must be within an enclosed structure, which may be portable.
- L24 - Only allowed as an accessory use with a service station with a Zoning Administrator permit.
- L25 - Only allowed on the rear half of a lot in order to ensure that the street frontage is activated.
- L26 –Tasting room is permitted as an ancillary use to an existing active business. If it is a stand-alone business it is considered a micro-brewery/wine bar/brew pub.
- L27 New mini-storage is not permitted, except the expansion of a previously approved and constructed mini-storage facility subject to a Conditional Use Permit. The new buildings shall be a minimum of two-stories in height. The project shall incorporate conservation and sustainability features to achieve net zero energy use; shall provide a security and lighting plan; and shall demonstrate measurable community benefit in a manner agreed upon by the City and memorialized in a documented agreement.
- L28 - Outdoor storage may be allowed as an ancillary use on the same parcel as the primary business with a Zoning Administrator Permit. All outdoor storage must be fully screened from view from any public rights-of-way and below fence height. All work areas, work bays shall be screened from public view.
- L29 Agricultural Production may be allowed as an accessory or ancillary use to a primary use, as example, for research, testing or demonstration purposes with a Zoning Administrator Permit
- L 30 Transitional and supportive housing shall be considered a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone.
- L31 provides that any person within the City of Woodland may cultivate cannabis inside of any residence or enclosed and secure secondary structure that meets certain requirements specified in the ordinance, consistent with state law that permits indoor cultivation of cannabis for medical and non-medical purposes
- L32 Smoke shops, tobacco stores, hooka/smoking lounge shall not be located within 1000 feet, measured property line to property line, from a school (public or private), family day care home, child care facility, youth center, community center, recreational facility, park, church or religious institution, hospital, or other similar uses where children regularly gather.
- L33 – Mixed uses are allowed, consistent with the manner in which the individual uses are otherwise allowed in the District. The review required will be dependent upon the most restricted use intended for the development.
- L34 - Permitted with a license per Municipal Code Section **5.20.010** or with a Conditional Use Permit
- L35 – May not be located within 500 feet of a school, shall hold and maintain all applicable licenses and permits with the State Department of Justice, exterior areas shall be well lit and include video surveillance. Advertising and signage on clear windows and doors shall be placed so that law enforcement have personnel have a clear and unobstructed view of the interior.
- L 36 – Non-residential uses may occupy up to 1/3 of the square footage of the building/buildings, as long as residential use occupies 2/3 of the building (s) square footage. Nonresidential uses that may be considered are those listed as P/A in the Comprehensive Use Table
- L 37 – A Crematorium shall provide adequate analysis to verify that the use meets all AQMD standards, meets the City’s Climate Action Plan goals and policies, and will not create harmful odor, particulate, or other environmental impacts to adjacent uses. No more than one crematorium facility shall be permitted.
- L 38 – Subject to provisions contained in Section 17.110 and 5.28**

8

Policies and Standards



8.3 ALLOWED LAND USES

Table 8-1 shows the land use matrix that will be used by the City in determining appropriate land uses within the Downtown. The matrix uses three symbols to indicate whether a use is allowed, conditionally allowed, or subject to a CUP process. If a land use is not listed on the matrix, the use is not permitted within the Downtown area. The Community Development Director will determine which category best fits a given use if questions arise.

To determine if a land use is allowed in a district, the following steps will be taken:

1. Find the closest land use type in the left hand column of the matrix (land uses are grouped by categories) and then find the appropriate district on the matrix (in what area is the site located, see Figure 3-3, "Downtown Districts" for locations). Where the row and column meet will be a cell that contains either a "■," a "○," a "Z," a "C," or a blank space.
2. If a "■" appears in the cell, that land use type is an *allowed use* in that district. Development can proceed subject to the project meeting the other requirements specified in this Specific Plan and other applicable City requirements and permits.
3. If a "○" appears, the land use is a *conditionally allowed use*. Uses with this designation have previously been required to go through a CUP process. To enhance the responsiveness of the City while still protecting the future of the Downtown, a set of performance standards has been developed, and is included in Section 8.5, "Performance Standards." Projects in this category will be reviewed by the Zoning Administrator to determine if the project meets the appropriate performance standards, complies with the other requirements of this Specific Plan and applicable City regulations, and does not pose any design or operational features that would require warrant further public review. If acceptable, the project can proceed like an allowed use, with no CUP required. A CUP may be required if the performance standards cannot be met, the applicant does not concur with the requirements presented, or the Zoning Administrator determines that further review is required.
4. Some uses possess locational, use, structural, traffic, or operating characteristics requiring special consideration best handled through a Zoning Administrator Permit (ZAP) in order to be compatible with neighboring properties. These uses, noted with a "Z" must go through a Zoning Administrator Permit process which allows for public consultation and if needed a staff level public hearing.

5. Some uses have unique or significant siting issues that are best handled through a CUP process. These uses, noted with a “C,” must go through a CUP process. Adult-oriented uses are subject to the CUP process and the requirements found in Section 25-21-75 of City of Woodland Zoning Ordinance.
6. If no symbol appears in a cell, the use is not allowed in that district.

able 8-1. Land Use Matrix

Land Use	Districts (per Figure 3-3)				
	A	B	C	D	E
Office					
Medical and dental clinics	■	■	■	■	■
Medical laboratories	■	■		■	■
Offices, small (less than 5,000 square feet)	■	■	■	■	■
Offices, large (greater than 5,000 square feet)	■	■		■	■
Opticians	■	■	■	■	■
Veterinary offices and clinics				○	○
Residential					
Boarding and rooming houses	C		C	C	
Residential – single family/duplex/split lot (3)			■	○	○
Residential – multiple family (3)	○	○		○	○
Residential hotels	C				
Miscellaneous – General					
Bus depot	○				
Parking facilities, off site	○	○	○	○	○
Passenger terminals	○				
Mixed use developments (4)	See note				
Adult-Oriented Land Uses (see Section 25-21-75 17.104.170 of City of Woodland Zoning Ordinance)					
Commercial Cannabis Uses (See Section 17.110 of the Woodland Zoning Ordinance)					
Store Front Retail (Dispensary)	C				
Retail Delivery (As Accessory to a Store Front Retail Facility)	C				
Distribution (As Accessory to a Store Front Retail Facility)	C				

- (1) Facility or use where food is regularly served on a not-for-profit basis. All activities, including waiting areas, must be conducted indoors unless otherwise modified through the CUP process. Bathroom facilities of adequate size to serve the expected clientele shall be provided within the facility.
- (2) Facility or use that provides temporary housing for individuals on a not-for-profit basis. May include, but is not limited to, emergency housing on a short-term basis or temporary transitional basis until permanent

8. Policies and Standards

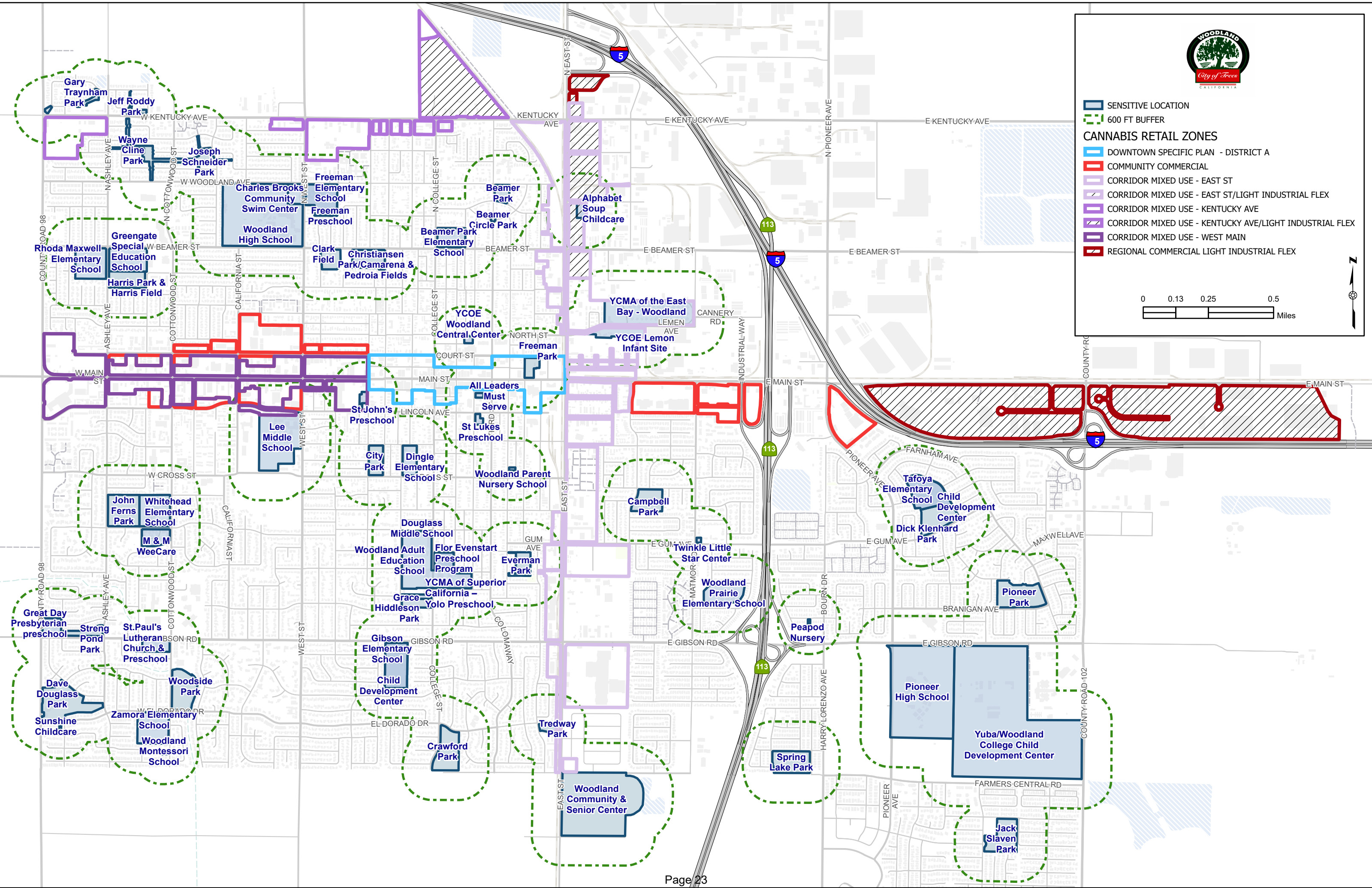
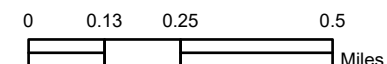


housing is available. Does not include temporary shelters for the relief of natural disasters or similar emergencies.

- (3) In District E, residential uses allowed only in areas shown on Figure 7-1.
- (4) Mixed uses are allowed in any district. Development requirements will be based on the use proposed for a given space (e.g., residential requirements for residential areas, commercial requirements for commercial areas). For common areas or shared facilities, requirements will be based on the land use with the most restrictive requirements.



- SENSITIVE LOCATION
- 600 FT BUFFER
- CANNABIS RETAIL ZONES**
- DOWNTOWN SPECIFIC PLAN - DISTRICT A
- COMMUNITY COMMERCIAL
- CORRIDOR MIXED USE - EAST ST
- CORRIDOR MIXED USE - EAST ST/LIGHT INDUSTRIAL FLEX
- CORRIDOR MIXED USE - KENTUCKY AVE
- CORRIDOR MIXED USE - KENTUCKY AVE/LIGHT INDUSTRIAL FLEX
- CORRIDOR MIXED USE - WEST MAIN
- REGIONAL COMMERCIAL LIGHT INDUSTRIAL FLEX





TO: THE HONORABLE MAYOR AND CITY COUNCIL

AGENDA: City Council Regular Meeting

DATE: November 16, 2021

ITEM #: I.16

SUBJECT: Consideration of an Amendment to Chapter 17.110 of the City's Zoning Ordinance related to Commercial Cannabis Retail Use in the City of Woodland and an Amendment to Chapter 5.28 of the Municipal Code related to Cannabis Business Permits

Recommendation for Action: Staff recommends that the City Council:

1. Receive a Report;
2. Conduct a public hearing;
3. Find that neither of these Ordinances constitute a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061 (b) (3) of Title 14 of the California Code of Regulations as set forth in this Ordinance;
4. Introduce and waive the first reading of Ordinance No ____, to amend Chapter 17.110 of the City of the Woodland Zoning Code, Exhibit B of the Interim Zoning Code, and Table 8.1 of the Downtown Specific Plan;
5. Introduce and waive the first reading of Ordinance No. ____, to amend Chapter 5.28 of the City of Woodland Municipal Code related to Cannabis Business Permits; and
5. Adopt Resolution No _____ to update Regulatory Permit Fees related to cannabis businesses.
6. Provide input and recommendation concerning the conditional use permit application evaluation process.

Staff Contact:

Cindy Norris, Principal Planner (530) 661-5911, cindy.norris@cityofwoodland.org

Fiscal Impact:

The Ordinance development costs have been funded through a developer deposit account by the commercial cannabis retailer that originally approached the City with this inquiry, Perfect Union. Depending on final implementation of a Retail Cannabis Program by the City Council, there is potential for realized revenue through negotiated operating agreements and/or development agreements with applicants that receive Conditional Use Permits. The proposed fees are intended to fully recover staff costs associated with administering and enforcing the City's Commercial Cannabis Program. Total revenue to be generated by the proposed fees will depend entirely upon the number of Commercial Cannabis Business Permits issued by the City, limited by the caps imposed on the number of Conditional Use Permits established by the City Council.

Report in Brief:

This report presents the proposed Zoning Ordinance amendments to Chapter 17.110 of the City of Woodland Municipal Code, to the Interim Zoning Code, and to the Downtown Specific Plan to provide regulations allowing consideration for commercial cannabis retail activities in the City of Woodland.

The proposed zoning amendments have been prepared to allow commercial cannabis retail uses subject to the granting of a limited number of conditional use permits. The City currently allows up to six commercial cannabis conditional use permits in the industrial districts for cannabis manufacturing, distribution, and testing. The proposed amendments will allow up to four commercial cannabis retail permits for storefront sales as conditional uses, and establish standards for the review and approval of retail cannabis uses. Delivery only uses are not be permitted within the City. Retail sales would be allowed for consideration in several commercial districts including Corridor Mixed Use districts (West Main, East Main, East Street, Kentucky), Community Commercial, Regional Commercial Light Industrial Flex, and in the Downtown Specific Plan District A. Cannabis retail sales are not proposed in the industrial districts.

The report also presents proposed amendments to Chapter 5.28 of the City of Woodland Municipal Code regarding Cannabis Business Permits and updates to the regulatory permit fees related to cannabis businesses. The Council is also asked to weigh in and provide input regarding future cannabis retail conditional use permit application processing and review.

Background:

On December 5, 2017, the Woodland City Council approved the regulatory framework to allow cannabis uses including land use zoning regulations, business permit requirements, fees for cost recovery, and review process. Ordinance 1629 added provisions (Section 17.110) related to the Zoning of commercial cannabis to allow consideration of cannabis manufacturing, distribution, and testing uses in the Industrial and Industrial Light Industrial Flex Overlay districts. Ordinance 1630 added a new chapter to the Municipal Code (Section 5.28) for commercial cannabis business permits which address the regulatory and operational regulations for cannabis businesses. Resolution 6982 approved regulatory permit fees for commercial cannabis. All cannabis conditional use permits (CUP) require review and recommendation from the Planning Commission with final action by the City Council.

Section 17.110.050 of the Woodland Zoning Ordinance allows for consideration of up to six (6) conditional use permits (CUPs) for commercial cannabis manufacturing, distribution and testing facilities, which may be located in the Industrial and Industrial/Light Industrial Flex Zones. A CUP may cover a single individual location with one use, or a CUP may include approval for multiple uses collocated at one site through a master conditional use permit. To date, four of the six allowed CUPs have been approved. Three of the approved CUP locations are currently operated by commercial cannabis uses (2 manufacturing uses and 1 distribution use). A fourth master CUP was approved, allowing for manufacturing, distribution and testing collocated at one site. However, that site is currently occupied by a non-cannabis user. A CUP runs with the land unless revoked.

The current Ordinance does not allow for retail storefronts (dispensaries) or delivery from uses in Woodland. The ordinance prohibits commercial cannabis cultivation (indoor and outdoor). Commercial cannabis uses may not be located any closer than 600 feet to any sensitive use, as measured from parcel to parcel.

The initial direction of the City Council regarding commercial cannabis provided for an incremental approach that would allow assessment of critical impacts before consideration on a broader basis. The approach has allowed the introduction of commercial cannabis in a measured and phased manner to allow assessment and evaluation of impacts prior to any future expansion. To date, the City has found that it has been able to effectively mitigate any potential negative impacts that could result from operating commercial cannabis uses, and the existing cannabis businesses have not created significant issues for the City.

The City has recently received an initial inquiry from Perfect Union, a commercial cannabis retail business with several locations throughout Northern California, to determine whether the City would amend the City's Zoning Code to allow for retail cannabis businesses. Based on this inquiry, City staff, working with an Ad Hoc Subcommittee comprised of two City Council members and three Planning Commissioners (as further described below) began the process of considering possible amendments to the Zoning Code that would allow for retail cannabis businesses, subject to certain limitations as described in this report. Perfect Union has also proposed a potential future commercial cannabis retail location, which will only be considered through a separate CUP process in the event that the proposed amendments to the Zoning Code are approved.

In addition to a CUP, each individual business entity is required to obtain a Cannabis Business Permit (CBP). A CUP is land use based and considers the possible location for the use. A CBP addresses the regulatory and operational aspects of each cannabis business and is issued upon completion of all regulatory requirements including a security plan, business plan, tenant improvements, and issuance of the State operating license. A review of the CBPs is conducted on an annual basis and requires payment of an annual fee at the time of license renewal.

The Chart below illustrates commercial cannabis uses that are currently allowed within Woodland.

Permit / License Category	Commercial		Personal	
	Medical	Adult / Rec	Medical	Adult / Rec
Cultivation				
Outdoor	N	N	N	N
Indoor	N	N	Y	Y
Manufacturing				
Volatile	Y	Y		
Non-volatile	Y	Y		
Distribution	Y	Y		
Testing / Research Lab	Y	Y		
Retail				
Dispensaries (Store-front)	N	N		
Delivery Service (non Store-front)	N	N		
Out-of-Town Delivery Services	Y	Y		

As part of the regulatory review, the applicant is required to execute an operating agreement that includes a requirement for a monthly payment to the City based on an agreed upon percentage of their gross receipts for the previous month to offset potential impacts on the City stemming from applicable cannabis uses. All of the approved business entities have executed operating agreements.

Over the last year, interested members of the community and cannabis industry have approached the City to request consideration for amendments to the current regulations to allow retail cannabis dispensaries. In response to the most recent inquiry from Perfect Union and their commitment to fund the City's efforts to evaluate ordinance updates, the City initially engaged an Ad Hoc Cannabis Subcommittee made up of members of the City Council, Planning Commission, and supported by City Planning staff and the City Attorney.

The City Council appointed two members (Garcia-Cadena and Vega), and the Planning Commission three members (Harris, Hurst, and Lizarraga) to the Ad Hoc Subcommittee for the purpose of evaluating proposed retail cannabis uses. The subcommittee convened on three occasions. On July 6, 2021, the subcommittee finalized their recommendations, which are as follows:

- Allow cannabis retail use in most commercial and corridor mixed-use zones, including the Downtown.
- Allow incidental cannabis distribution to serve the retail business only, subject to restrictions.
- Retail uses are not recommended in the Industrial or Light Industrial Districts, Regional Commercial, or Residential zones.
- As with all other cannabis uses, retail uses shall be subject to a 600-foot buffer from schools, youth programs, or parks consistent with the current ordinance.
 - o The subcommittee considered a 1,000-foot buffer, but it was determined that when the 600-foot buffer was applied, it mitigated concerns regarding overconcentration in the Downtown along Main Street. (Attachment 8)

On October 7, 2021, the Planning Commission held a public hearing at their regularly scheduled meeting to consider the proposed land use/zoning ordinance amendments and unanimously (5-0, 1-absent) recommended approval to the City Council.

Discussion:

Zoning

The purpose of a zoning ordinance is to provide land use controls over certain uses consistent with State Law. Zoning generally regulates specified uses (permitted, conditionally permitted or prohibited), where uses may be located, and sets the entitlement process to determine what regulatory body shall consider and approve those

uses. All proposed or approved zoning regulations and cannabis uses may be later amended based on further Council direction.

Staff has prepared a draft Zoning Ordinance to permit, subject to the granting of a conditional use permit, commercial cannabis retail uses. The table below summarizes cannabis uses as currently allowed, and as proposed.

Use	Zoning District	Zoning Standards	Zoning Process
Currently Allowed			
Distribution	Industrial (I) Industrial with Light Industrial Flex (I/LIF)	- Retail (on-site) sales prohibited - Performance Standards 600-foot sensitivity buffer	Conditional Use Permit (CUP) with final approval by the City Council.
Manufacturing	Industrial (I) Industrial with Light Industrial Flex (I/LIF)	- Retail (on-site) sales prohibited - Performance Standards 600-foot sensitivity buffer	Conditional Use Permit (CUP) with final approval by the City Council.
Testing	Industrial (I) Industrial with Light Industrial Flex (I/LIF)	- Retail (on-site) sales prohibited - Performance Standards 600-foot sensitivity buffer	Conditional Use Permit (CUP) with final approval by the City Council.
Proposed			
- Retail - Retail with delivery - Retail with distribution as accessory use	Downtown Specific Plan – District A (DSP-A) Corridor Mixed Use (CMU) - West Main (WM) - East Street (E) - Kentucky (K) - Light Industrial Flex (LIF) Community Commercial (CC) Regional Commercial Light Industrial Flex (RC/LIF)	- Allow delivery as part of the retail activities - Limited to no more than 4 Conditional Use Permits for cannabis retail - No delivery only uses - Distribution must be accessory and shall only serve the retail use - Performance Standards 600-foot sensitivity buffer	Conditional Use Permit (CUP) with final approval by the City Council Use of evaluation criteria

Proposed revisions to the Zoning Code, Interim Zoning Ordinance, and Downtown Specific Plan District A are shown in **bold and underline** or ~~strikeout~~ and provided in Attachments 2, 3, and 4 to this report.

Proposed Allowed Uses

Retailers, commonly referred to as “dispensaries,” conduct retail sales of medical and/or recreational cannabis and cannabis products to consumers. State law requires all retailers to operate from a physical premise, even if sales are performed exclusively through delivery.

The state license type for a retail use is either a Type 9- non-storefront retailer (delivery only), or a Type 10- storefront retailer. The City is only considering allowance for Type 10. A Type 10 allows both storefront and delivery from that physical address. Cannabis retailers that will not be open to the public and that perform sales exclusively by delivery are prohibited.

Zoning Definition

The following definition is already included in the existing Ordinance (17.110.030):

“Cannabis retailer” means a premise permanently located in the City licensed by the State of California pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act, California Business and Professions Code Section 26000 et seq., as may be amended, where cannabis is provided for retail sale to consumers, including an establishment that delivers cannabis as part of a retail sale. Unless otherwise specified, “cannabis retailer” means both a retailer selling medical cannabis and medical cannabis products to patients with valid physician’s recommendations, and a retailer providing adult-use cannabis and cannabis products for

adults 21 years of age and over, pursuant to State law.

Proposed Locations

As proposed in Section 17.110.100 of the Municipal Code, cannabis retailers may be considered in a number of commercial locations. New in Section 17.110.100 A Corridor Mixed Use East Street (CMU-E), Corridor Mixed Use West Main (CMU-WM), Corridor Mixed Use Kentucky (CMU-K); Corridor Mixed Use Light Industrial Flex Overlay (CMU-LIF), Community Commercial, Regional Commercial Light Industrial Flex Overlay (RC-LIF), Downtown Mixed Use (DMU) District A. Areas where cannabis retail is not recommended includes Industrial/Industrial with Light Industrial Flex overlay, Regional Commercial, Neighborhood Commercial, and Spring Lake Specific Plan commercial districts. Attachment 8 provides a map illustrating proposed allowed zones with a 600-foot sensitivity buffer overlay.

Proposed Number of Cannabis Retailers

Section 17.110.050 of the Woodland Zoning Ordinance allows for consideration of up to six (6) conditional use permits (CUPs) for commercial cannabis manufacturing, distribution and testing facilities, which may be located in the Industrial and Industrial/Light Industrial Flex Zones. The amendment to Section 17.110.050 D would allow consideration for up to four (4) cannabis retail storefront conditional use permits. This would provide for 10 commercial cannabis CUPs in total.

Proposed Incidental Distribution

Sections 17.110.100 B and C of the Municipal Code, provide allowance for consideration of incidental distribution activities that specifically will only serve that retail facility. With this allowance, a cannabis retailer will be able to pick up and deliver a product to their own business or between their stores. They will not be allowed to conduct distribution for other cannabis businesses. The distribution portion must be appurtenant and incidental to the retail use as shown below.

Review Process and Evaluation Criteria

A conditional use permit for commercial cannabis requires final approval by the City Council. It is anticipated that more than four businesses will be interested in operating retail cannabis facilities in Woodland. As a result, it is necessary to provide for a structured review process in order to allow for effective evaluation of the proposed applications. Staff recommends that the following review steps be considered.

- Provide an initial application submittal and closing date.
- Review all applications for completeness and accuracy. Prepare an initial cursory comparison based on information provided to date. Use of evaluation criteria to help with evaluation comparison. (Attachment 9)
- Conduct a Cannabis Subcommittee hearing to allow all applicants to make a presentation regarding their proposal. Presentations can be recorded for later viewing by the full Council. Subcommittee to evaluate and identify top candidates.
- Utilize all the information to conduct a final review for applications.
- Schedule for PC and CC hearings

Cannabis Business and Operating Requirements

Every business interested in opening a commercial cannabis business in the City of Woodland will need a CUP, Cannabis Business Permit (CBP) and State of California License.

The Zoning Ordinance is one piece of a regulatory structure for commercial cannabis. In addition, the City has adopted a Cannabis Business Permit (CBP) Ordinance (Chapter 5.28 of the Municipal Code).

The CBP review requires the submittal of extensive information regarding business operations. The proposed

amendments to Chapter 5.28 allow for issuance of CBPs to cannabis retailers, and include specific operational requirements that will apply to those retailers. Prior to issuance of a CBP, a commercial cannabis business must provide a detailed security plan to be approved by the Chief of Police. The security plan must include such things as number and location of surveillance cameras, the alarm system, and an on-site security guard. All sites are inspected by the Police Department. Updated security requirements have been added to Section 5.28.260 in order to reflect best practices as recommended by the Police Department. The proposed amendments additionally add a cannabis work permit requirement that will provide for annual review of cannabis business employees and ensure that they remain in compliance with the City's requirements regarding background checks and criminal history. The Police Department reviewed cannabis business oversight in several jurisdictions throughout the State, and believes the cannabis work permit requirement will help to facilitate oversight of these businesses. The updated ordinance is provided in Attachment 6.

All businesses must also go through a similar review with the State Bureau of Cannabis Control.

Regulatory Permit Fees

On December 19, 2017 the City adopted Resolution 6982 to allow for cost recovery associated with commercial cannabis activities. The fees are charged at the time of initial approval of the CBP and at annual renewal. Commercial cannabis business renewal fees were updated in May 2020 and the city has recently had the opportunity to re-assess actual costs associated with the existing cannabis administration and enforcement activities and has also evaluated anticipated costs with the addition of retail storefront cannabis. Recommended Commercial Cannabis Permit Fees are provided below.

New Business Commercial Cannabis Permit Fees would be in addition to any Permit Application fee and Conditional Use Permit application fee that would be charged, on a one-time non-refundable basis, to cover costs associated with processing applications from businesses applying for a City of Woodland Commercial Cannabis Business Permit. These fees were established in December 2017 and remain unchanged except for:

- the addition of a Retail Category
- and the fees be subject to an annual Consumer Price Index (CPI) adjustment. This would allow for better cost recovery. This is similar to most fees assessed city-wide.

PERMITS	ANNUAL FEE
Manufacturing /Processing - Volatile	\$ 46,280
Manufacturing /Processing - Non-Volatile	\$ 46,280
Distribution	\$ 46,280
Retail	\$ 46,280
Testing / Lab	\$ 31,980
Delivery Permits	\$ 12,980

Renewal Commercial Cannabis Permit Fees are different from the New Business permit fees as far as cost of the city to monitor/inspect and audit. After a business has begun its operations, staff typically spend less time monitoring these businesses. Inspection and compliance review is carried out by the Police Department, while Finance is responsible for monthly collection/accounting of the community benefit proceeds as well as carrying out an annual audit of each business' gross receipt sales.

Renewal fees were reviewed by staff and approved to be reduced by City Council in May 2020 (a reduction from the initial December 2017 rates). Staff has recently analyzed time spent on reviewing and monitoring these businesses and is proposing to further reduce renewal fees and add a retail cannabis renewal fee as well. As stated herein, these fees are intended for full cost recovery. Please see the revised renewal fees below:

RENEWAL PROPOSED FEES

PERMITS	ANNUAL FEE
Manufacturing /Processing - Volatile	\$ 14,621
Manufacturing /Processing - Non-Volatile	\$ 14,621
Distribution	\$ 14,621
Testing / Lab	\$ 13,115
Retail	\$ 16,621
Delivery Permits	\$ 3,925

Re-Inspection Fee

Finance	\$ 89 per hour
Planning	\$ 108 per hour
PD	\$ 104 per hour

Similar to the New Business Permit fees, staff is recommending that these renewal fees be subject to an annual Consumer Price Index (CPI) adjustment.

Planning Commission Review

On October 7, 2021, the Planning Commission held a public hearing to consider the proposed land use/zoning amendments. After review of the report and taking testimony, the Planning Commission voted unanimously to recommend approval of the amendments to the City Council. There were five members present with one absence.

Environmental Determination

The proposed Zoning Ordinance amendment imposes reasonable zoning regulations on commercial cannabis uses to ensure that such uses are conditionally permitted in existing and proposed future zones, subject to zoning standards and locational restrictions that minimize access by minors and provide performance evaluations. Accordingly, this Ordinance will not result in any significant change in the environment within the meaning of Section 15061(b)(3) of Title 14 of the California Code of Regulations. Additionally, commercial cannabis uses authorized by this Ordinance are subject to the granting of a conditional use permit, which requires discretionary review subject to the California Environmental Quality Act (CEQA).

The proposed regulatory ordinance establishes a permitting process and reasonable regulations on commercial cannabis businesses, to the extent that such businesses are authorized to operate in the City pursuant to state and local law, and does not independently authorize any particular cannabis business or use to establish or operate in the City. The regulatory business ordinance is therefore not a project subject to CEQA. As such, the Ordinance is additionally exempt from CEQA review pursuant to Business and Professions Code Section

Public Noticing

The Public Hearing Notice for the Planning Commission hearing was published in a one-eighth page display notice in the Daily Democrat newspaper.

In addition, the City utilized social media outlets to reach the broader community:

- City List serve Business Newsletter – a list service that has approximately 870 emails
- Chamber of Commerce, and individual contacts with business representatives
- City's web page

Conclusion: Staff recommends that City Council:

1. Receive a Report;
2. Conduct a public hearing;
3. Find that neither of these Ordinances constitute a project subject to California Environmental Quality Act (CEQA) review pursuant to Section 15061 (b) (3) of Title 14 of the California Code of Regulations as set forth in this Ordinance;
4. Introduce and waive the first reading of Ordinance No ___, to amend Chapter 17.110 of the City of Woodland Zoning Code, Exhibit B of the Interim Zoning Code, and Table 8.1 of the Downtown Specific Plan;
5. Introduce and waive the first reading of Ordinance No. ___, to amend Chapter 5.28 of the City of Woodland Municipal Code related to Cannabis Business Permits; and
5. Adopt Resolution No _____ to update Regulatory Permit Fees related to cannabis businesses.
6. Provide input and recommendation concerning the conditional use permit application evaluation process.

Prepared by: Cindy Norris, Principal Planner

Reviewed by: Brent Meyer, Community Development Director



Ken Hiatt
City Manager

Attachments:

1. ATT 1 - CC Zoning Ordinance 17.110
2. ATT 2 - Cannabis Zoning Code 17.110 Amendments
3. ATT 3 - IZO Comprehensive Use Table Amendments
4. ATT 4 - Downtown Specific Plan Table 8.1
5. ATT 5 - CC Regulatory Ordinance 5.28 Amendments
6. ATT 6 - Chapter 5.28 11.1.21
7. ATT 7 - Cannabis Revised Fees Resolution
8. ATT 8 - Map of Retail Zones and Sensitivity Buffer
9. ATT 9 - Draft Evaluation Criteria