

City of
Cathedral City

**Cannabis Business
Administrative Rules**

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City of Cathedral City Cannabis Business Administrative Rules

1. OVERVIEW

The City Council of the City of Cathedral City (“City”) has adopted ordinances establishing a comprehensive set of regulations allowing Cannabis Businesses to operate within the City, which are codified in Chapter 5.88 and 9.108 of the Cathedral City Municipal Code (“City Code”). Any person seeking to establish a Cannabis Business within the City must obtain prior approval from the City before commencing operations. These Administrative Regulations are intended to provide the public with a clear understanding of the process for obtaining City approval to operate a Cannabis Business in the City.

1.1 Required City Approvals

The City requires Cannabis Businesses seeking to operate within the City to obtain a Cannabis License and a Conditional Use Permit¹ in addition to any other generally applicable permits, licenses or approvals that are required of businesses that operate in the City, including but not limited to a City business license and an alarm permit. Depending on the specifics of the proposed Cannabis Business other permits that may be required include building permits, sign permits, and design review. A separate Cannabis License and Conditional Use Permit are required for each proposed location.

A proposed Cannabis Business may submit applications for a Cannabis License and a Conditional Use Permit at the same time, or may wait until after the Cannabis License has issued to apply for a Conditional Use Permit. A Conditional Use Permit cannot be issued until after the Cannabis License has been approved. A Cannabis License must be renewed annually.

1.2 Allowable Types of Cannabis Businesses

As defined in the City Code, a Cannabis Business is any person engaged in “commercial cannabis activity.” Commercial cannabis activity includes the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transportation, delivery or sale of cannabis and cannabis products. Under the City Code, there are five types of Cannabis Businesses permitted in the City: Dispensaries, Cultivation, Manufacturing, Distribution, and Testing Laboratories. A Cannabis Business may apply for and receive a Cannabis License and Conditional Use Permit to engage in some or all of the Cannabis Business types. Testing Laboratories are the

¹ Testing laboratories that seek to operate in the NBP, PLC, or PPO zones are not required to obtain a conditional use permit.

only Cannabis Business type that is required to remain independent from other Cannabis Business types. Furthermore, due to the volume of existing approved Dispensaries, the City is not currently issuing Cannabis Licenses for Dispensaries in the areas of the City that are south of Interstate 10.

Cannabis Businesses are only permitted in certain zoning districts in the City.

Cannabis Business Type	Zoning Districts*
Dispensary	I-1, CBP-2, PCC, MU-U; MU-N, BP
Cultivation	I-1, CBP-2, PCC, MU-U; MU-N, BP
Manufacturing	I-1, CBP-2, MU-U; MU-N, BP
Distribution	I-1, CBP-2, PCC, MU-U; MU-N, BP
Testing Laboratory	NBP, PPO, PLC (permitted by right) I-1, CBP-2, PCC, MU-U; MU-N, BP (permitted with a CUP)

* The MU-U, MU-N, and BP districts are located within the North City Specific Plan and North City Extended Specific Plan Areas only. The I-1 district is located both within these Specific Plan areas and in other parts of the City.

Dispensaries, Distribution Sites, Cultivation Sites and Manufacturing Sites are subject to other locational restrictions, as stated in Section 9.108.070 of the City Code, including minimum distance requirements from schools, day-care centers and youth centers, residential zones, and East Palm Canyon Drive. Any person who desires to open a Cannabis Business in the City should ensure that the proposed location of the use satisfies the City’s locational restrictions in Section 9.108.070 prior to filing an application for either a Cannabis License or a Conditional Use Permit.

The commercial cannabis activity that a Cannabis Business desires to engage in will determine the Cannabis License type(s) that must be applied for and obtained prior to commencing operations. However, the City has determined that a Dispensary is not required to obtain a Cultivation license to possess and sell immature cannabis plants (“clones”), provided that those clones are obtained from a cultivator at a point in time in which the clones are ready for sale to customers. The Dispensary may engage in basic care of the clones to keep them alive and sellable, but may not actively cultivate clones.

1.3 Fees

The City intends to recover all of the costs associated with processing and issuing Cannabis Licenses and Conditional Use Permits, and as such has determined that a deposit-based system is appropriate. At the time an application for a Cannabis License is filed, the City will require the applicant to submit a \$7500 deposit with the City. This deposit will be used toward processing both the Cannabis License and the Conditional Use Permit for the proposed Cannabis Business. Staff will track the time and costs associated with processing both approvals and the deposit will be used to

cover those costs. If the deposit is depleted prior to the issuance of either the Cannabis License or Conditional Use Permit, staff will require the applicant to provide an additional deposit in an amount estimated to be sufficient to cover the remaining processing costs. If a replenishment deposit is not provided prior to the depletion of the deposit, staff may cease all work on the application(s) until the additional deposit monies are received. No Cannabis License or Conditional Use Permit will be issued to any Cannabis Business that has a deposit account that is in arrears. Any deposit money remaining after a final decision on the Conditional Use Permit application is made will be refunded to the applicant.

NOTE: If an application for a Cannabis License is submitted concurrently with an application for a Conditional Use Permit, staff may begin processing the Conditional Use Permit application before a final decision is rendered on the Cannabis License. The applicant will not be entitled to a refund of any deposit money spent toward processing the Conditional Use Permit if the Cannabis License is denied. Therefore, submitting concurrent applications for a Cannabis License and Conditional Use Permit is at your own risk.

The City will also use a deposit-based fee system for processing renewals of Cannabis Licenses and modifications to Cannabis Licenses and Conditional Use Permits. The initial deposit for a renewal of a Cannabis License shall be \$4500. The initial deposit for a modification of a Cannabis License and/or Conditional Use Permit shall be \$3000.

1.4 Processing Time

There are many factors that impact the time it takes to process a Cannabis License and Conditional Use Permit, including but not limited to, the number of background checks that must be completed, the nature of any criminal history of an applicant, the level of detail provided in the plans required as a part of each application, and whether the applications are complete when submitted.

The background check portion of the Cannabis License is the most time consuming aspect of the process but the City will use its best efforts to complete the background checks within sixty (60) days of the receipt of the results of the final set of Live Scan results associated with the application. The City is committed to processing these applications as expediently as possible, but due to the multitude of factors that impact processing times it cannot commit to a firm processing deadline.

2. CANNABIS LICENSE

2.1 Submission of Application

An applicant for a Cannabis License must complete the application form required by the City and submit two (2) identical copies of the form. The application form shall be submitted to the City's Planning Division in person, along with the \$7500 deposit and

the following documentation:

(a) Evidence that the applicant is, or will be, entitled to the possession of the premises for which the application is submitted. Acceptable evidence includes leases, rental agreements, recorded deeds evidencing ownership, and letters of intent. The City may accept other evidence as determined by the City Manager. The City may refuse to accept a letter of intent as evidence the applicant will be entitled to possession of the premises if multiple letters of intent have been issued for the same premises. If the Cannabis Business is proposed to be located on real property that is not owned by the applicant, a notarized statement from the property owner that it agrees to a Cannabis Business being operated on the property.

(b) Evidence of the ownership structure of any Cannabis Business and the Owners of the Cannabis Business, as the term "Owner" is defined in Section 5.88.025 of the City Code. Acceptable evidence includes articles of incorporation, by-laws, organizational minutes, articles of organization, and partnership agreements. The City may accept other evidence as determined by the City Manager.

(c) A general description of the products and services to be provided by the Cannabis Business.

(d) A floor plan, designating all interior dimensions of the licensed premises and the layout of the cannabis business, including all limited access areas, areas of ingress and egress, and all security cameras. Such floor plan shall also show the principal uses of the floor area depicted therein. For cultivation sites, such floor plan shall distinguish all dimensions of areas in which plants are located.

(e) A security plan that includes a diagram indicating all areas to be covered by 24 hour security cameras and the methods the Cannabis Business will use to ensure cannabis and cannabis products are under secure control of its staff at all times.

(f) A list of the Cannabis Businesses' employees, independent contractors and volunteers, if any.

(g) If the application is for a Dispensary, a statement confirming whether delivery service of cannabis to any location outside the premises will be provided and the extent delivery is provided, a detailed delivery plan detailing how the dispensary will comply with all requirements of the Code, MAUCRSA, and any other applicable state or local laws.

(h) A map prepared and signed by a licensed land surveyor stating that the premises meets the distance requirements set forth in Section 9.108.070 of the City Code. The distances shall be measured in the manner provided for in Section 9.108.070. If the Business is proposed to be located within a multi-unit building, the measurements shall be taken from the nearest point of the suite in which the Business

will be located, provided that the suite has been legally established and approved by the City prior to the submission of the application for the License.

Upon receipt of an application, the City will date and time stamp the application form, retaining one copy for the Planning Division. The second copy of the form will be date and time stamped and returned to the applicant..

The City will make a final determination as to the application's completeness within forty-five (45) calendar days after an application is submitted and provide a final list of the individuals who must undergo a background check. For purposes of issuance of the Cannabis License, the application is considered "complete" if all required materials listed in this Section 2.1 have been submitted to the City. The completeness determination shall not include a site visit or analysis of the contents of the application for purposes of the Cannabis License. Once an application is determined to be complete, written notice will be provided to the applicant.

If the application is determined to be incomplete, the City will provide the applicant with written notice and a list of the additional information required to process the application. The applicant shall have thirty (30) days from the date of the written notice to provide all of the additional information. Failure to provide all of the additional information within the thirty (30) day window will result in the application being deemed withdrawn.

2.2 Changes to an Application

The City may request any changes to an application or additional information it deems necessary at any time. An applicant may also make changes to its application after submission, except as listed below. Any changes made unilaterally by the applicant prior to the City's determination that the application is complete will result in a reset of the forty-five day deadline for the City to make its completeness determination. Any changes made unilaterally by the applicant after a determination of completeness may also result in delays.

2.3 Background Checks

All Owners of a proposed Cannabis Business must submit to a background check as a part of the Cannabis Licensing process. Section 5.88.025 of the City Code defines "Owner" as any of the following:

- (a) A person with an aggregate ownership interest of 10% or more in the person applying for a Cannabis License, unless the interest is solely a security, lien, or encumbrance.
- (b) The Chief Executive Officer of a nonprofit or other entity
- (c) A member of the Board of Directors of a nonprofit or other entity.

(d) An individual who will be participating in the direction, control, or management of the person applying for a license.

The City will make a final determination of which individuals are Owners when the application is determined to be complete.

Employees, independent contractors and volunteers who are not Owners of the proposed Cannabis Business are not required to submit to a background check as a part of the Licensing process. However, Section 5.88.065 requires the Cannabis Business to conduct background checks of such individuals and keep them on file. Each Cannabis Business shall be responsible for ensuring that all employees, independent contractors and volunteers who are not required by the City to submit to a background check as a part of the Cannabis Licensing process are appropriately background checked prior to commencing work at the Cannabis Business and the results of such background checks are maintained on file. City staff will conduct background check compliance audits once a Cannabis Business is open. Background checks are only required for employees, independent contractors or volunteers who will be engaged in commercial cannabis activity on behalf of the Cannabis Business. The City does not require a proposed Cannabis Business to conduct background checks on independent contractors hired by a Cannabis Business who are not engaged in commercial cannabis activity, including but not limited to, attorneys, engineers, general contractors, accountants, architects, construction project managers, and permit expeditors.

Background checks consist of a two-step process: Live Scan and Background Investigation, as discussed in more detail below. **In the interest of expediency, the applicant may commence the background check process immediately after the submission of an application by causing the Owners of a proposed Cannabis Business to submit to a Live Scan. However, applicants are cautioned that they will not be entitled to a refund of any deposit moneys spent on background checks.** Therefore, applicants may choose to wait to commence the background check process until after the City has made a formal determination that the application is complete to minimize the potential for incurring non-refundable costs on an application that is ultimately withdrawn.

The background check process is done on an individual basis, meaning that if there are multiple individuals required to be background checked for an application the City will not hold up one person's background check due to delays by another person associated with the application. For example, if one owner submits to a Live Scan immediately after submitting the application and another owner waits a month to be Live Scanned, the background check for the first owner will proceed even though the second owner has not started the background check process. However, the background check process for an application cannot be completed until all persons required to submit to a background check have completed the process.

It is anticipated that all background checks, other than the Live Scan fingerprinting portion of the background checks, will be conducted by an outside

contractor designated by the Chief of Police. However, the Chief of Police shall maintain discretion to cause the background checks to be conducted in whatever manner he deems fit. For purposes of these regulations, the person or persons conducting the background check are referred to as the "Background Investigator."

Step One: Each individual associated with the application must be fingerprinted using Live Scan technology. The individuals must personally appear at the Cathedral City Police Department and present a completed Request for Live Scan Service form and valid Driver's License or Identification Card. The City will not allow individuals to be Live Scanned at any location other than the Cathedral City Police Department. A representative from the Cathedral City Police Department will scan the individual's fingerprints and transmit them to the Department of Justice. Individuals should schedule an appointment to be Live Scanned with the Cathedral City Police Department by calling (760) 770-0380. The date and time stamped copy of the Cannabis License application form returned to the applicant by the Planning Division must also be submitted to the Police Department. It is strongly encouraged that all persons required to submit to a background check for an application submit to the Live Scan at the same appointment. If separate appointments are made, the first person associated with the application to submit to a Live Scan shall provide the Police Department with the date and time stamped application form.

Step Two: After an individual completes Step One, the Chief of Police or his designee will cause the Background Investigator to commence the background checks of that person. It is expected that the Background Investigator will be required to process multiple background checks simultaneously. In the event that priority must be established in the processing of multiple applications, the Background Investigator shall use reasonable judgment in allocating resources and consider the order in which all necessary materials were fully received by the City and any other reasonable factors.

The Background Investigator shall endeavor to complete the background check within sixty (60) days. Approximately thirty (30) days and again approximately forty-five (45) days after the receipt of a notification to proceed, the Background Investigator shall provide a written report to the Chief of Police indicating the general progress of the background check and whether he or she anticipates the background check will be completed within the sixty (60) day window. If the Background Investigator believes the background check will take longer than sixty (60) days, the Background Investigator shall explain in detail the reasons for the extension and provide an estimate of the additional time needed, subject to approval by the Chief of Police or his designee. If lack of cooperation on behalf of any person is part of the cause of the need for additional time, such information shall be expressly stated. In such event, the Chief of Police or designee shall immediately provide notification to the

applicant in writing of the anticipated delay in completion of the background check. All persons undergoing the background check shall be required to fully cooperate with the Background Investigator. Applicants are expressly cautioned that failure to fully and timely cooperate by any person required to undergo a background check may result in delays in the completion of the background check, and/or a determination of denial.

The background check shall generally consist of, but not be limited to, a review of each individual's twenty (20) year residential history, a review of public records, a search to determine probation status, parole status, contacts with law enforcement, and an interview or interviews with the Background Investigator as appropriate. The Background Investigator shall have reasonable discretion to go beyond these parameters where reasonably necessary to obtain additional information which is necessary to make a determination as to the applicant's qualifications for a Cannabis License, as discussed in more detail below.

Once all of the background checks required for an application are complete, the Background Investigator shall prepare and submit a full report to the Chief of Police upon completion of the background check. The information shall be provided to the Chief of Police in a format that allows for separate consideration of each person who is required to undergo a background check. The report shall include, but shall not be limited to, information submitted or uncovered during the investigation which is necessary for a determination of whether there is "Good Cause" to deny the application, as discussed in more detail in Section 2.4 below. The Background Investigator shall be tasked solely with providing factual information in his or her report in order to provide the Chief of Police with a sufficient factual basis to make a determination as to whether the application should be approved or denied.

The Chief of Police shall review the report from the Background Investigator and make a recommendation as to whether the criminal history of one or more of the individuals indicates that Good Cause exists to deny the application (See Section 2.4 below for more information regarding the bases for making this recommendation). The Chief of Police's recommendation shall be issued in writing within ten (10) calendar days of his receipt of the report from the Background Investigator and shall include an explanation as to the Chief of Police's reasoning in making the recommendation, including the analysis bridging the facts to the ultimate conclusions. This ten (10) day period may be extended by a reasonable period by the City Manager at the request of the Chief of Police. The recommendation of the Police Chief shall be provided to the City Manager for review.

2.4 Approval or Denial of License

The City Manager, or his designee, shall decide whether to approve or deny an application for a Cannabis License after receiving the recommendation of the Police Chief regarding the background checks and consulting with the City Attorney, if necessary. The City Manager must approve an application for a Cannabis Business

License unless the City Manager determines “good cause” exists to deny the License. The City Manager will use his best efforts to issue a decision to approve or deny a Cannabis License within fifteen (15) days of the receipt of a final recommendation from the Police Chief regarding the background checks.

(a) “Good Cause” to Deny a License

The City Manager may deny an application for “Good Cause”, as defined in Section 5.88.025 of the City Code. Good Cause exists if:

(i) The applicant has violated any provision of Chapter 5.88 of the City Code, any state laws pertaining to cannabis or any rules or regulations adopted pursuant thereto, or any locally adopted rules or regulations.

(ii) The premise that is the subject of the application is proposed to be operated in a manner that adversely affects the public health, safety or welfare or the safety of the immediate neighborhood in which the premises is located.

(iii) The applicant has knowingly made false statement, misrepresentations or material omissions on the application form or any other document submitted to the City.

(iv) The criminal history of the applicant’s Owners indicates that one or more of the Owners is not of “Good Moral Character” as defined in City Code section 5.88.025 and as further explained in Section 2.4(b) below.

(v) An owner, officer or director of the applicant is a physician who is making recommendations for medical cannabis.

(vi) The applicant has had a Cannabis License revoked or has had more than one suspension of a Cannabis License.

(vii) The applicant, or any of its Owners, is prohibited from holding a Cannabis License under Chapter 5.88 of the City Code.

(viii) The premises is located on Tribal Trust Land or Allotted Trust Land.

(b) Determination of Moral Character

“Good Moral Character” is defined as “having a personal history that demonstrates the propensity to serve the public in the licensed area in a manner that reflects openness, honesty, fairness, and respect for the rights of others and for the law.”

If an Owner has been convicted of any of the following types of offenses, that Owner is deemed to lack Good Moral Character and the City must deny the License:

(i) A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor.

(ii) A felony conviction for selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.

(iii) A felony conviction for drug trafficking with enhancements pursuant to Sections 11370.4 or 11379.8 of the Business and Professions Code.

(iv) A violent felony, as specified in Penal Code Section 667.5(c), a copy of which is attached as Appendix A.

(v) A serious felony, as specified in Penal Code Section 1192.7(c), a copy of which is attached as Appendix B.

(vi) A felony conviction involving fraud, deceit, or embezzlement.

In an Owner has not been convicted of one of the offenses listed above, then the determination of an Owner's moral character is based on the totality of the information uncovered through the background check process. Except for the offenses listed above, a prior conviction where the sentence, including any term of probation, incarceration, or supervised release is complete for possession of, possession for sale, sale, manufacture, transportation, or cultivation of cannabis shall not be the sole ground for a determination that a person lacks good moral character.

2.5 Notification of Decision/Appeals

The City Manager shall notify the applicant in writing by regular and certified mail, return receipt requested of his decision to approve or deny a Cannabis License. The notice shall inform the applicant that it or any other person may appeal the decision to the City Council in accordance with Section 2.04.100 et seq. of the City Code.

2.6 Renewals

A Cannabis License has a one-year term and must be renewed by the recipient Cannabis Business ("Cannabis Licensee"). A complete application for renewal and the renewal fee must be filed at least thirty days before the expiration date of the Cannabis License. The City may reject any renewal application that is not timely filed or that remains incomplete with less than thirty days until expiration.

In the event that the Cannabis Business files a renewal application within thirty (30) days prior to the expiration, the cannabis business must provide a written explanation detailing the circumstances surrounding the late filing. The City may accept or reject such late filing at its discretion.

A Cannabis Licensee must complete the Cannabis License renewal form required by the City. The Cannabis Licensee must disclose any changes to the

information provided to the City in the initial application for the Cannabis Business under Section 2.1 of these Rules. In addition, a renewal application must be accompanied with the following:

- (a) An up to date list of employees, independent contractors, and volunteers working at the licensed premises.
- (b) Proof that no change to the ownership of the licensee has occurred since last approved by the City
- (c) Proof that the licensee is still entitled to the possession and use of the licensed premises
- (d) Proof that the Cannabis Licensee has paid all due and payable state and local taxes and fees.
- (e) Any other information that the local licensing authority deems necessary to determine whether to renew the local license.

All Owners must be Live Scanned by the Cathedral City Police Department as a part of the renewal process. If no new criminal history is found on the Live Scan results, no further background check is required. If new criminal history is found the Chief of Police may, in his discretion, cause the Background Investigator to conduct an investigation of the new criminal history. The standards and procedures discussed in Section 2.2 above apply to any background check required by this section.

The City may conduct an inspection of the premises and/or the records of the Cannabis Business prior to a determination on a renewal application.

The City Manager shall decide whether to approve or deny a renewal application using the same standards applicable to the approval or denial of an initial License application, as discussed in detail in Section 2.4 of these Rules. However, there are two additional bases for denying a renewal license for “good cause.” Good cause exists to deny a renewal license if:

- The Licensee has allowed a person whose criminal history indicates that the person is not of good moral character to work within the Cannabis Business Premises as an employee, independent contractor, or volunteer; or
- The Licensee fails to allow inspection of the security recordings, activity logs, or business records of the licensed premises by City officials.

If the City has not finished processing a timely-filed application for renewal before the expiration date of the License, the Cannabis Business may continue to operate until such time as a decision is rendered by the City on the renewal application.

2.7 Modification of Cannabis License

After a Cannabis License is approved, the Cannabis Licensee must apply for and receive approval of a modification to its License prior to making any material changes to the Cannabis Business, including but not limited to changes to the ownership of the Cannabis Business; the addition of a new type of commercial cannabis activity to the Business (e.g. adding manufacturing to an approved cultivation site); substantial alterations to the premises; and relocation of the Cannabis Business. A Licensee requesting a modification to its Cannabis License shall complete the form provided by the City, and provide any supporting documentation requested by the City. The supporting documentation required may vary depending on the nature and extent of the proposed modification.

(a) Change of Ownership

Proposed changes in ownership that involve the addition of new Owners must be approved by the City in advance. The proposed new Owner(s) must submit to a background check, conducted in the manner described in Section 2.2 above. The City Manager shall approve or deny the requested change in ownership in the same manner as described in Section 2.4 above. If the City Manager approves the change in ownership, the Cannabis Licensee may commence to take any steps necessary to effectuate the change in ownership. No change to the Cannabis Licensee's conditional use permit is required.

Changes in ownership that solely involve the removal of one or more persons from ownership of the Cannabis Business do not require the prior approval of the City, unless the removal of one or more Owners would result in a person with an ownership stake in the company who was not previously considered an "Owner" under the City Code becoming an "Owner."

Changes in ownership that do not trigger the need for new background checks must be reported to the City within thirty (30) days of the change. The City will approve the change in ownership unless there is good cause to deny the change.

(b) Modifications to Licensed Premises

A Cannabis Licensee shall not make any substantial or material physical alterations to the premises, including but not limited to changes to the square footage of the premises and the removal, addition or relocation of walls and doors, without modifying its License. Prior to making any physical alterations to the premises, the Licensee should consult with the City to determine whether a modification to the License or any other City approvals, including but not limited to a building permit, is required. Substantial physical alterations to the premises also require a modification to the conditional use permit for the Cannabis Business. The Licensee may apply for a modification to its License and its Conditional Use Permit concurrently.

The Licensee shall submit a floor plan meeting the requirements of Section 2.1(d) of these Rules along with the application form. If the modification includes an expansion of the premises, the Licensee shall also submit evidence that it is or will be

entitled to possession of the expansion area and a new map prepared by a licensed surveyor showing that the expansion of the premises will not violate any of the locational standards in Section 9.108.070 of the Code. If the requested modification impacts the approved security plan, and updated security plan shall also be provided.

The City Manager shall approve or deny the requested modification in the same manner as described in Section 2.4 above. If the City Manager approves the modification to the License, the Licensee shall obtain any other necessary City approvals prior to commencing any construction work.

(c) Change of Location

A Cannabis Licensee may request to move its Cannabis Business to a new location. The Licensee shall submit the information listed in Section 2.1(a), (d), (e), (f) and (h) of these Rules along with the application form and fee. The relocation of a Cannabis Business may require the issuance of a Conditional Use Permit for the new location or, if the new location already has an approved Conditional Use Permit, a modification of the existing Conditional Use Permit. The Licensee may apply for a modification to its Cannabis License and the new or modified Conditional Use Permit concurrently.

The City Manager shall approve or deny the requested change of location in the same manner as described in Section 2.4 above. If the City Manager approves the relocation, the Licensee shall not commence to operate from the new location until the new or modified Conditional Use Permit is approved.

(d) Changes to Approved Activities

A Cannabis Licensee may modify the approved commercial cannabis activities that it may conduct at the licensed premises. The Licensee shall submit, at a minimum, the information listed in Section 2.1(c), (d), (e) and (f) of these Rules along with the application form and fee. The addition of new commercial cannabis activities also requires a modification to the Condition Use Permit for the premises. The Licensee may apply for a modification to its Cannabis License concurrently with a request to modify its Conditional Use Permit.

The City Manager shall approve or deny the requested change to the approved commercial cannabis activities in the same manner as described in Section 2.4 above. If the City Manager approves the change, the Licensee shall not commence the new commercial cannabis activities until the modification to the Conditional Use Permit is approved.

3. CONDITIONAL USE PERMIT

3.1 Procedural Considerations

As previously stated, a person may apply for a Conditional Use Permit concurrently with a Cannabis License or may wait to apply until after the Cannabis

License has been approved. If the applications are submitted concurrently, the application for a Conditional Use Permit will not be formally considered complete for the purposes of the Permit Streamlining Act (Government Code § 65940 et seq.) until the Cannabis License has been approved. However, in the interest of expediency, the City may begin processing the Conditional Use Permit application prior to the issuance of the Cannabis License. The City will not schedule the Conditional Use Permit for a public hearing before the Planning Commission until a Cannabis License has been approved by the City Manager and the appeal period has expired or all appeals have been exhausted. If the Cannabis License is denied, the Conditional Use Permit application will be deemed incomplete, all work will cease on the Conditional Use Permit, and the applicant will be refunded any balance left of its deposit.

Applicants are advised that the Conditional Use Permit application may require at least one site visit by City Planning staff and the potential need to revise submitted plans to ensure they comply with all applicable laws and regulations prior to scheduling of the hearing before the Planning Commission.

Proof of the issuance of a Cannabis License to the applicant will be considered to satisfy some of the application requirements, as noted in Section 3.2(a) below. Therefore, the Conditional Use Permit submittal package for an applicant who has already received a Cannabis License will be smaller than the submittal package for an applicant that has applied or is applying for both approvals concurrently.

3.2 Submission of Application

An applicant for a Conditional Use Permit for a Cannabis Business must complete the application form required by the City. The application form shall be submitted to the City in person, along with the following documentation:

(a) Proof that the applicant has received a Cannabis License for the premises, or a statement the applicant has applied for a Cannabis License concurrently with the Conditional Use Permit.

(b) A site plan and floor plan of the cannabis business denoting all the use of areas of the cannabis business, including storage, employee areas, exterior lighting, restrooms,

(c) Confirmation that the proposed premises is not currently permitted by the state or county for the production of non-cannabis infused food products.

(d) The address of the proposed cannabis business

(e) If the Cannabis Business is proposed to occupy an existing building, plans and specifications for the interior of the building as built and plans and specifications for any proposed alterations to the building.

(f) If the Cannabis Business is proposed to occupy new construction, a plot plan, detailed sketch of the interior of the premises, and an architect's drawing of the building.

(g) If the Cannabis Business is proposed to be located on real property that is not owned by the applicant, a notarized statement from the property owner that it agrees to a Cannabis Business being operated on the property.

(h) For new construction, a site plan of the premises evidencing that the design of the premises conforms to City Code and design requirements.

(i) A security plan that includes a diagram indicating all areas to be covered by 24 hour security cameras and the methods the Cannabis Business will use to ensure cannabis is under secure control of its staff at all times.

(j) A map prepared and signed by a licensed land surveyor stating that the premises meets the distance requirements set forth in Section 9.108.090 of the City Code. The distances shall be measured in a straight line, without regard to intervening structures, from the nearest point of the building or structure in which the Cannabis Business will be located to the nearest property line of the locations listed in Section 9.108.090. If the Business is proposed to be located within a multi-unit building, the measurements shall be taken from the nearest point of the suite in which the Business will be located, provided that the suite has been legally established and approved by the City prior to the submission of the application for the Conditional Use Permit.

(k) Verification that an odor filtration system meeting the requirements of Section 9.108.080(A)(1) will be installed.

(l) For Cultivation Sites or Manufacturing Sites,

(i) An environmental plan indicating how cultivation and/or manufacturing will be conducted in accordance with state and local laws related to hazardous material disposal, land conversion, grading, electricity usage, water usage, and agricultural discharges.

(ii) An emergency response plan that complies with Title 8 of the Cathedral City Municipal Code and California Fire Code ("CFC") Section 401, and sets out standard operating procedures to be followed by all individuals in case of a fire, chemical release, chemical spill, or other emergency.

(iii) A description of the source of electricity, the size of the electrical service or system, and the total demand to be placed on the system by all proposed uses on the site.

(iv) For Cultivation Sites, verification of the source(s) of water for cultivation.

(v) For Manufacturing Sites,

(1) A report from a Professional Engineer that details the type of equipment that will be used to extract cannabinoids from Cannabis. If Flammable Gas, Flammable Liquefied Gas, Flammable and Combustible Liquids, or compressed carbon dioxide (CO₂) are used for extraction, then the report must certify that only closed-loop extraction system(s), that are UL or ETL listed or have a sign off by a Professional Engineer, capable of recovering the solvent are utilized.

(2) A separate diagram of any room where extraction occurs that details the location of the extraction equipment, areas of ingress and egress, emergency eye-wash station, any other fire suppression or emergency equipment required by Title 8 of the Cathedral City Municipal Code, City and California building codes, fire codes, electrical codes and all other applicable laws.

(m) 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.

(n) Authorization for the community development director to seek verification of the information contained within the application.

(o) Any such additional and further information as is deemed necessary by the community development director.

3.3 Background Checks

In general, background checks will be done through the Cannabis License process as described above and will not be required as a part of the Conditional Use Permit process. However, supplemental background checks may be required in limited circumstances.

(a) Non-concurrent Applications

If an application for a Conditional Use Permit is submitted after a Cannabis License has been issued to the applicant, a supplemental background check may be required. Furthermore, the application form requires any criminal history occurring after the issuance of a Cannabis License to be disclosed.

If new criminal history is disclosed on the application form or more than six (6) months has passed between the issuance of the Local License and the application for a Conditional Use Permit, each owner, director, officer or other person managing or otherwise responsible for the Cannabis Business must undergo a new Live Scan. If no new criminal history is found on the Live Scan results, no further background check is required. If new criminal history is found the Chief of Police may, in his discretion, cause the Background Investigator to conduct an investigation of the new criminal history and prepare an update to his or her report. The standards and procedures discussed in Section 2.2 above apply to any background check update required by this section.

(b) New Background Information Is Discovered

Regardless of whether an application for a Conditional Use Permit is submitted concurrently with or after the Cannabis License, if criminal history or other relevant information relating to the applicant's background comes to light that was not disclosed by the applicant or discovered by the City during the Cannabis Licensing process, the Chief of Police may, in his discretion, cause the Background Investigator to conduct an investigation of the new criminal history or other information and prepare an update to his or her report. The standards and procedures discussed in Section 2.2 above apply to any background check update required by this section.

3.4 Approval or Denial of Permit

(a) Approval

The planning commission shall not hold a public hearing on or approve any application for a conditional use permit to operate a cannabis business unless the applicant holds a local license in good standing.

A Conditional Use Permit may only be approved by the Planning Commission if the findings for conditional use permits generally, contained in Section 9.72.010 of the City Code, can be made in addition to the following findings specific to Cannabis Businesses:

(i) The Cannabis Business as well as all operations as conducted therein, fully comply with all applicable building, zoning and fire Codes, accessibility requirements of the Americans with Disability Act, and all relevant City and State Law; and

(ii) The Cannabis Business fully complies with and meet all operating criteria required pursuant to State Laws, Chapter 5.88 of this Code, any other provisions of this Code, and any specific, additional operating procedures and measures as may be imposed as conditions of approval in the Conditional Use Permit;

(iii) The cannabis business will be located in a zoning district where cannabis businesses of the type proposed are conditionally permitted, and all of the applicable locational restrictions in Section 9.108.070 are satisfied; and

(iv) For Dispensaries, the number, type, and availability of Dispensaries located in or near the premises are such that the issuance of a conditional use permit to the Applicant will not result in or add to an excessive concentration of Dispensaries and/or result in a need for additional law enforcement resources.

(b) Denial

The Planning Commission may deny a conditional use permit if it determines that it is unable to make one or more of the required findings for approval.

3.5 Notification of Decision/Appeals

The Planning Department shall notify the applicant in writing by regular and certified mail, return receipt requested of the Planning Commission's decision to approve or deny a Conditional Use Permit. The notice shall inform the applicant that it or any other person may appeal the decision to the City Council in accordance with Section 9.72.080 of the City Code.

3.6 Conditions of Approval

In addition to any other conditions of approval the Planning Commission determines are appropriate, each Conditional Use Permit shall include the applicable conditions of approval listed in Section 9.108.080 of the Code.

3.7 Modifications to Permit / Relocation of Business

After a Conditional Use Permit is approved, the Cannabis Licensee must apply for and receive approval of a modification to its Conditional Use Permit prior to adding a new type of commercial cannabis activity to the Business (e.g. adding manufacturing to an approved cultivation site) and prior to making any substantial physical alterations to the premises. The generally applicable procedures for modifications or amendments to conditional use permits contained in Chapter 9.72 of the Code apply to Cannabis Business conditional use permits.

In addition, a Cannabis Licensee that desires to relocate its Business to a new location must obtain the proper planning approvals from the City prior to relocating the business, including a Conditional Use Permit. If the new location already has an approved Conditional Use Permit for the type of commercial cannabis activity that the Licensee engages in, a new Conditional Use Permit for the new location is not required, though the existing Conditional Use Permit may need to be modified. The Licensee should consult with Planning Staff to determine the approvals needed.

APPENDIX A

Section 667.5(c) of the California Penal Code

(c) For the purpose of this section, "violent felony" shall mean any of the following:

- (1) Murder or voluntary manslaughter.
- (2) Mayhem.
- (3) Rape as defined in paragraph (2) or (6) of subdivision (a) of Section 261 or paragraph (1) or (4) of subdivision (a) of Section 262.
- (4) Sodomy as defined in subdivision (c) or (d) of Section 286.
- (5) Oral copulation as defined in subdivision (c) or (d) of Section 288a.
- (6) Lewd or lascivious act as defined in subdivision (a) or (b) of Section 288.
- (7) Any felony punishable by death or imprisonment in the state prison for life.
- (8) Any felony in which the defendant inflicts great bodily injury on any person other than an accomplice which has been charged and proved as provided for in Section 12022.7, 12022.8, or 12022.9 on or after July 1, 1977, or as specified prior to July 1, 1977, in Sections 213, 264, and 461, or any felony in which the defendant uses a firearm which use has been charged and proved as provided in subdivision (a) of Section 12022.3, or Section 12022.5 or 12022.55.
- (9) Any robbery.
- (10) Arson, in violation of subdivision (a) or (b) of Section 451.
- (11) Sexual penetration as defined in subdivision (a) or (j) of Section 289.
- (12) Attempted murder.
- (13) A violation of Section 18745, 18750, or 18755.
- (14) Kidnapping.
- (15) Assault with the intent to commit a specified felony, in violation of Section 220.
- (16) Continuous sexual abuse of a child, in violation of Section 288.5.
- (17) Carjacking, as defined in subdivision (a) of Section 215.
- (18) Rape, spousal rape, or sexual penetration, in concert, in violation of Section 264.1.
- (19) Extortion, as defined in Section 518, which would constitute a felony violation of Section 186.22.
- (20) Threats to victims or witnesses, as defined in Section 136.1, which would constitute a felony violation of Section 186.22.
- (21) Any burglary of the first degree, as defined in subdivision (a) of Section 460, wherein it is charged and proved that another person, other than an accomplice, was present in the residence during the commission of the burglary.

(22) Any violation of Section 12022.53.

(23) A violation of subdivision (b) or (c) of Section 11418. The Legislature finds and declares that these specified crimes merit special consideration when imposing a sentence to display society's condemnation for these extraordinary crimes of violence against the person.

APPENDIX B

Section 1192.7(c) of the California Penal Code

(c) As used in this section, "serious felony" means any of the following:

(1) Murder or voluntary manslaughter; (2) mayhem; (3) rape; (4) sodomy by force, violence, duress, menace, threat of great bodily injury, or fear of immediate and unlawful bodily injury on the victim or another person; (5) oral copulation by force, violence, duress, menace, threat of great bodily injury, or fear of immediate and unlawful bodily injury on the victim or another person; (6) lewd or lascivious act on a child under 14 years of age; (7) any felony punishable by death or imprisonment in the state prison for life; (8) any felony in which the defendant personally inflicts great bodily injury on any person, other than an accomplice, or any felony in which the defendant personally uses a firearm; (9) attempted murder; (10) assault with intent to commit rape or robbery; (11) assault with a deadly weapon or instrument on a peace officer; (12) assault by a life prisoner on a noninmate; (13) assault with a deadly weapon by an inmate; (14) arson; (15) exploding a destructive device or any explosive with intent to injure; (16) exploding a destructive device or any explosive causing bodily injury, great bodily injury, or mayhem; (17) exploding a destructive device or any explosive with intent to murder; (18) any burglary of the first degree; (19) robbery or bank robbery; (20) kidnapping; (21) holding of a hostage by a person confined in a state prison; (22) attempt to commit a felony punishable by death or imprisonment in the state prison for life; (23) any felony in which the defendant personally used a dangerous or deadly weapon; (24) selling, furnishing, administering, giving, or offering to sell, furnish, administer, or give to a minor any heroin, cocaine, phencyclidine (PCP), or any methamphetamine-related drug, as described in paragraph (2) of subdivision (d) of Section 11055 of the Health and Safety Code, or any of the precursors of methamphetamines, as described in subparagraph (A) of paragraph (1) of subdivision (f) of Section 11055 or subdivision (a) of Section 11100 of the Health and Safety Code; (25) any violation of subdivision (a) of Section 289 where the act is accomplished against the victim's will by force, violence, duress, menace, or fear of immediate and unlawful bodily injury on the victim or another person; (26) grand theft involving a firearm; (27) carjacking; (28) any felony offense, which would also constitute a felony violation of Section 186.22; (29) assault with the intent to commit mayhem, rape, sodomy, or oral copulation, in violation of Section 220; (30) throwing acid or flammable substances, in violation of Section 244; (31) assault with a deadly weapon, firearm, machinegun, assault weapon, or semiautomatic firearm or assault on a peace officer or firefighter, in violation of Section 245; (32) assault with a deadly weapon against a public transit employee, custodial officer, or school employee, in violation of Section 245.2, 245.3, or 245.5; (33) discharge of a firearm at an inhabited dwelling, vehicle, or aircraft, in violation of Section 246; (34) commission of rape or sexual penetration in concert with another person, in violation of Section 264.1; (35) continuous sexual abuse of a child, in violation of Section 288.5; (36) shooting from a vehicle, in violation of

subdivision (c) or (d) of Section 26100; (37) intimidation of victims or witnesses, in violation of Section 136.1; (38) criminal threats, in violation of Section 422; (39) any attempt to commit a crime listed in this subdivision other than an assault; (40) any violation of Section 12022.53; (41) a violation of subdivision (b) or (c) of Section 11418; and (42) any conspiracy to commit an offense described in this subdivision.