



# Administrative Report

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L.2., File # 22-4640

Meeting Date: 8/16/2022

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**To: MAYOR AND CITY COUNCIL**

**From: BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR**

## **TITLE**

PUBLIC HEARING FOR INTRODUCTION AND FIRST READING OF ORDINANCES AMENDING TITLE 6 BUSINESSES, PROFESSIONS, AND TRADES AND TITLE 10, CHAPTER 2, ZONING AND LAND USE PERTAINING TO CANNABIS REGULATIONS AND RECOMMENDING THAT THE CITY COUNCIL ADOPT CATEGORICAL EXEMPTIONS FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE AMENDMENTS

## **PROCEDURES:**

1. Open public hearing and take testimony;
2. Close public hearing and deliberate; and
3. Introduce the following three ordinances and adopt the following resolution:

INTRODUCE BY TITLE ONLY ORDINANCE NO. 3240-22 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADDING CHAPTER 6 TO TITLE 6 OF THE REDONDO BEACH MUNICIPAL CODE TO REGULATE COMMERCIAL CANNABIS BUSINESSES

INTRODUCE BY TITLE ONLY ORDINANCE NO. 3241-22 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING TITLE 10, CHAPTER 2 SECTION 10-2.1626 OF THE REDONDO BEACH MUNICIPAL CODE TO ALLOW COMMERCIAL CANNABIS ACTIVITIES IN INLAND ZONES OF THE CITY

## **EXECUTIVE SUMMARY**

In order to analyze and identify the cannabis regulations appropriate for Redondo Beach, a Cannabis Steering Committee was appointed by the previous City Manager comprised of representatives from the law enforcement community, RBUSD, BCHD, and other outside interest groups familiar with common best practices for commercial use regulations of cannabis, including storefront siting, taxation, delivery, and development agreement options. The Steering Committee met multiple times over several years, and on October 5, 2021 presented their recommendations to the City Council. Following their recommendations, Council directed staff to begin preparing a draft ordinance designed to regulate commercial cannabis activity in the City.

Per City Council direction, the Planning Commission reviewed the draft cannabis ordinance at a public hearing held on March 3, 2022. The Planning Commission provided several recommendations at the hearing including that the City engage a consultant with experience advising the municipal regulation of the cannabis industry to assist in the review of the City's draft ordinance.

On May 10, 2022 the City Council considered the Planning Commission recommendations and provided direction to staff on the final preparation of ordinances. The Council, as part of that direction, also asked staff to prepare an agreement with HdL Companies (“HdL”) to review the City’s draft cannabis regulatory ordinances and other cannabis-related procedural tasks. The contract with HDL was approved at the June 21, 2022 City Council meeting.

HdL reviewed the City’s draft cannabis regulatory ordinances and provided staff with recommendations and comments. The ordinances were amended to include the Planning Commission recommendations directed by City Council at the May 10, 2022 meeting and the HDL recommendations supported by City staff.

The City Council conducted a public hearing on July 19, 2022 to introduce the ordinances and adopt a resolution to forward the coastal regulations to the California Coastal Commission for certification. After conducting the hearing, the City Council approved the ordinances for introduction and first reading with a minor revision to language in Ordinance 3323-22 to address the potential of a future tax measure being adopted.

On August 2, 2022, a City Council motion to adopt Ordinances 3233-22 and 3234-22 failed on a 2 yes to 1 no vote, as it was short the three councilmember yes votes required by the City Charter to pass ordinances. Following the vote, the City Council approved a motion to return the ordinances for consideration on August 16, 2022, at a time when an additional council member was expected to be present for item discussion. Since City regulations stipulate that the decision of the City Council on all proposed zoning amendments shall be final and conclusive (10-2.2504(h)), the two ordinances that were not approved on August 2, 2022 are before the City Council for reintroduction. As Ordinance 3235-22 amending the coastal regulations was not part of the August 2<sup>nd</sup> consideration of adoption, that ordinance can still be considered for adoption on September 6<sup>th</sup>. Additionally, if the ordinances that are part of this agenda item are approved for introduction and first reading on August 16, 2022, all three cannabis related ordinances will be returned for consideration of adoption together on September 6, 2022.

## **BACKGROUND**

California’s history of cannabis law spans nearly 25 years of propositions and regulatory actions. More recently, the Medical Marijuana Regulation and Safety Act (MMRSA) that took effect January 1, 2016 regulated the use of marijuana for medical purposes. The City of Redondo Beach adopted Ordinance 3152 which promulgated local regulations in accordance with MMRSA, effective May 5, 2016.

On November 8, 2016, Proposition 64 was adopted by CA voters, titled the Adult Use of Marijuana Act (AUMA). The AUMA regulates the use of marijuana for personal and commercial purposes, including the recreational use of marijuana by adults over 21 years of age, thus expanding the permissions provided by MMRSA. The AUMA permits cities to “reasonably regulate” without completely prohibiting cultivation of marijuana inside a private residence or inside an accessory structure to a private residence, within the limits allowed by the State for personal cultivation.

Although Proposition 64 represented the interest of whether to allow the AUMA, it did not specify how an individual municipality would regulate the commercial aspects of marijuana sales. The State’s commercial provisions of AUMA were to take effect on January 1, 2018, requiring a city to disallow

commercial marijuana activities in order to ensure that local regulations are promulgated and local control maintained. If a local governing body did not enact such a commercial ban by January 1, 2018, a valid State license would be the only requirement to open and operate a commercial marijuana business in any commercial zone in that city. Therefore, out of caution, and until local regulations and interests could be analyzed, the City of Redondo Beach adopted ordinances to regulate the personal use and cultivation of cannabis, as well as restrict commercial cannabis activities in the City of Redondo Beach. This was an interim measure to prohibit cannabis businesses until the City could more thoroughly investigate the appropriate regulations to put in place.

One of the prior objectives included in the City Council's adopted Strategic Plan included the previous City Manager's appointment of a Cannabis Steering Committee (CSC) comprised of law enforcement, RBUSD, BCHD, and outside interest groups to review best practices for commercial use regulations of cannabis, including storefront siting, taxation, delivery, and development agreement options, and to prepare a report for Planning Commission and City Council consideration. Members of the Redondo Beach Police Department, Fire Department, Community Development Department, and the City Treasurer's Office met jointly in support of the work of the CSC.

City Council considered the Steering Committee recommendations at their October 5, 2021 meeting and directed staff to prepare ordinances in line with those recommendations. At the January 18, 2022 meeting, Council finalized the siting parameters and land use buffers to be evaluated and included in the ordinance.

Staff prepared the ordinances and presented those at a public hearing of the Planning Commission on March 3, 2022. The Planning Commission made several recommendations, including "engaging a thoroughly vetted and referenced consultant with experience evaluating the cannabis industry to evaluate the ordinance in its entirety."

At the May 10, 2022 meeting, City Council provided direction on the Planning Commission recommendations and their incorporation into the ordinances, as well as direction to engage HdL Companies ("HdL") for a scope of work to include the following:

- Review the City's Draft Cannabis Regulatory Ordinance
- Develop Draft Cannabis Tax Ordinance
- Application Process Development
- Cost Recovery Fee Analysis
- Attendance, Support or Presentations at Meetings or Workshops
- Technical Assistance and Subject Matter Expertise

At the June 21, 2022 meeting, City Council approved the contract with HdL, and the firm subsequently began reviewing the City's draft cannabis regulatory ordinances. As mentioned above, this public hearing provides the City Council an opportunity to consider the regulations set by the ordinances, which have been amended to incorporate the Planning Commission recommendations directed by Council at the May 10, 2022 meeting and certain language changes suggested by HDL that are also supported by City staff.

HdL's review yielded recommendations on amendments to Title 6, which defines the manner in which

the City would administer cannabis regulations and the parameters within which cannabis businesses must operate. Below is a summary of the review. Attached to this report is a comprehensive matrix of HdL's review and staff's response to each of the recommendations/comments.

<b>Section</b>	<b>Ordinance Topic</b>	<b>HdL Comment</b>	<b>Staff Response</b>
6-2.03(b)	Application administration & approval	Expand section to include clarifying language	Accepted HdL Recommendation
6-2.04(b)	Fees types	Expand section to include specific fee reference	Ordinance unchanged (see attached comments)
6-2.04(c)	Fees within Development Agreement	Add specific fee language	Ordinance unchanged (see attached comments)
6-2.05(b)	Fee cap	Provided examples of what other cities do	Ordinance unchanged (see attached comments)
6-2.05(c)(2)	Age limitations and requirements	Flagged to check against state law	Ordinance unchanged (see attached comments)
6-2.05(c)(17)	Property selection for commercial cannabis business	Expand definition	Ordinance unchanged (see attached comments)
6-2.12(b)	Auditing right of City	Expand section to allow for flexibility	Accepted HdL Recommendation

In compliance with the California Environmental Quality Act of 1970 as amended (CEQA), and State and local guidelines adopted pursuant thereto, the zoning amendments captured by the ordinances qualify for CEQA exemption under Section 15060(c)(2); the activity will not result in direct or reasonably foreseeable physical change in the environment and Section 15060(c)(3) as the activity is not a considered a project under CEQA Section 15378.

The City Council conducted a public hearing on July 19, 2022 to introduce the ordinances and adopt a resolution to forward the coastal regulations to the California Coastal Commission for certification. After conducting the hearing, the City Council approved the ordinances for introduction and first reading with a minor revision to language in Ordinance 3323-22 to address the potential of a future tax measure being adopted.

On August 2, 2022, a City Council motion to adopt Ordinances 3233-22 and 3234-22 failed as it lacked the three yes council member votes required by the City's Charter for ordinance approval. Following the vote, the City Council approved a motion to schedule the ordinances for

reconsideration on August 16, 2022, a meeting date that was expected to include the attendance of an additional City Council member. Since City regulations stipulate that the decision of the City Council on all proposed zoning amendments shall be final and conclusive (10-2.2504(h)), the two ordinances that were officially not approved on August 2, 2022 are before City Council for reintroduction. As Ordinance 3235-22 amending the coastal regulations was not part of that decision, that ordinance can still be considered for adoption on September 6<sup>th</sup>. As well, if the ordinances being considered for this agenda item are introduced on first reading on August 16, 2022 all three ordinances can be considered for adoption together on September 6, 2022.

**COORDINATION**

The preparation of the ordinances and resolution was done in coordination with the City Manager's Office and the City Attorney's Office. The draft ordinances were prepared by the City Attorney's Office and the Community Development Department.

**FISCAL IMPACT**

The fiscal impact to the City for regulating cannabis sales and delivery in Redondo Beach is unknown at this point. There are many variables to consider including 1) the number and types of licenses to be approved, 2) the volume of business and sales from future local cannabis operations, 3) the specific franchise fee or tax rate charged for cannabis sales in Redondo Beach, 4) the amount of staff time allocated to regulatory and enforcement activities, and 5) the potential for legal challenge to the City's licensing activities.

Notwithstanding the above variables, staff's initial estimate is that each licensed site in Redondo Beach could provide \$500,000 to \$1,000,000 in additional annual General Fund revenue, provided the City moves forward with the adoption of a regulatory ordinance and the proposed tax and/or developer agreement fees.

The preparation of the ordinances, staff report, and community input survey are within the workplan and annual budgets of the Community Development Department, City Manager's Office, and the City Attorney's Office.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- Ordinance No. 3240-22 (Business Licensing)
- Ordinance No. 3241-22 (Inland)
- City Council Staff Report August 2, 2022
- City Council Staff Report July 19, 2022
- HdL Review Matrix
- City Council Staff Report May 10, 2022
- City Council Presentation May 10, 2022
- Planning Commission Resolution 2022-03-PCR-02 adopted March 3, 2022
- Planning Commission Minutes March 3, 2022
- Planning Commission Staff Report March 3, 2022
- Planning Commission Presentation March 3, 2022

- Proof of Publication Public Hearing Notice

**ORDINANCE NO. 3240-22**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADDING CHAPTER 6 TO TITLE 6 OF THE REDONDO BEACH MUNICIPAL CODE TO REGULATE COMMERCIAL CANNABIS BUSINESSES**

WHEREAS, the City of Redondo Beach has historically and continues to currently ban all commercial cannabis activities except for deliveries and personal cultivation in order to protect the public health and safety of City residents; and

WHEREAS, in November of 2016, a majority of the voters of the City of Redondo Beach voted in favor of Proposition 64, known as the "Control, Regulate and Tax Adult Use of Marijuana Act"; and

WHEREAS, arising out of the passage of Proposition 64 and the promulgation of regulations and licensing structures by the state, the City Council had indicated it could revisit its ban as state licensing of such businesses and created a Cannabis Taskforce to review potential regulations; and

WHEREAS as a result of a recent citizen sponsored initiative measure that, if passed, would repeal the City's existing ban on commercial cannabis activities and establish new regulations that, among other things, would restrict the City's ability to regulate such uses and allow certain existing unpermitted and illegal cannabis businesses to continue operating while eliminating the City's ability to deny these uses or impose any operational conditions, the City must move more quickly than initially planned to bring forward a more protective ballot measure; and

WHEREAS, passing a City Council sponsored commercial cannabis ordinance would maintain the City's ability to develop important policy positions, business and land use regulations, and health and safety permits to preserve the quality of life that Redondo's residents, visitors and business community desire and expect; and

WHEREAS a critical companion to this ordinance is a City Council sponsored measure to adopt a Cannabis Business Tax, without the passage of which the City would be financially unable to address the secondary effects of commercial cannabis businesses; and

WHEREAS, this Ordinance is necessary to provide the City of Redondo Beach Police Department clearly established legal authority to protect the public and deter potential criminal cannabis activity; and

WHEREAS, on April 20, 2017 the Planning Commission held a noticed public hearing and took public testimony regarding regulatory options surrounding commercial and personal use of cannabis in the City of Redondo Beach (or "City") pursuant to the passage of the AUMA; and

WHEREAS, on May 18, 2017, the Planning Commission continued the public hearing and after further public input and discussion the Commission directed City staff to return with resolutions recommending the adoption of:

- (1) an ordinance restricting outdoor personal cultivation to secured locations or lockable out buildings only;
- (2) an ordinance disallowing all commercial cannabis activities in the City of Redondo Beach to allow staff to study and create appropriate guidelines for the operation of commercial cannabis facilities in the City;
- (3) an amendment to the City's existing medical cannabis regulations to allow the delivery of medical cannabis to qualified patients in the City; and

WHEREAS, in order to create comprehensive and cohesive local system of commercial cannabis regulations, the City enacted a temporary ban while City staff and the Cannabis Taskforce studied all aspects of permitted commercial cannabis activities; and

WHEREAS, on October 5, 2021 the Cannabis Steering Committee presented their findings to the City Council; and

WHEREAS, on March 3, 2022 the Planning Commission considered the draft commercial cannabis regulations and zoning amendments and made recommendations to the Council for consideration; and

WHEREAS, on May 10, 2022, the City Council reviewed draft amendments and directed staff to make changes in addition to engaging an outside consultant to review the ordinances; and

WHEREAS, staff made some of those changes and is leaving it to the City Council's discretion to make any of the other suggested amendments or their own changes to this and the other two (2) proposed ordinances; and

WHEREAS, this ordinance reflects the direction received from the Council and the consultant.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are true and correct, and the recitals are incorporated herein by reference as if set forth in full.

## SECTION 2. FINDINGS

1. In compliance with the California Environmental Quality Act of 1970, as amended (CEQA), and State and local guidelines adopted pursuant thereto, the zoning amendments qualify for CEQA exemption under Section 15060(c)(2) because the activity will not result in direct or reasonable foreseeable physical change in the



environment and Section 15060(c)(3) as the activity is not a considered a project under CEQA Section 15378.

2. The amendments to the Zoning Ordinance are consistent with the General Plan.
3. The amendments to the Coastal Land Use Plan Implementing Ordinance are consistent with the City's Local Coastal Plan (LCP).
4. These amendments do not require a vote of the people under Article XXVII of the City Charter.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 3. AMENDMENT TO CODE. Chapter 6 shall be added to Title 6 of the Redondo Beach Municipal Code and shall read as follows:

**“Chapter 6 COMMERCIAL CANNABIS ACTIVITY**

**Section 6-2.00 Commercial Cannabis Retailer Permit Regulations.**

**Section 6-2-01 Definitions.** The technical terms and phrases used in this Chapter are defined in Redondo Beach Municipal Code Section **10-2.1626**.

**Section 6-2.02 Commercial cannabis permit required to engage in commercial cannabis activity.** No person may operate a commercial cannabis business or engage in commercial cannabis activity within the City of Redondo Beach including cultivation, processing, manufacturing, testing, sale, delivery, distribution, or transportation of cannabis or a cannabis product unless the person (1) has a valid commercial cannabis retailer permit from the City of Redondo Beach; (2) has any and all valid state or local permits; and (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis business and the commercial cannabis activity, including holding the necessary state licenses to engage in commercial cannabis activity.

**6-2.03 Application Procedure.**

(a) The city may, in its sole discretion, approve and direct the issuance of a notice inviting applications, a request for applications, or similar solicitation inviting persons interested in operating commercial cannabis activities in the city to apply for a Development Agreement.

(b) Whether to issue a solicitation for applications, and whether to approve or deny any such application shall be subject to the sole and absolute discretion of the City Council. The manner of accepting applications, the manner of application review, shall be determined by the City Manager or designee. The criteria utilized in evaluating or scoring any application for a Development Agreement shall be that specified in this ordinance, elsewhere in the Redondo Beach Municipal Code, or in the solicitation for applications issued by the City

Council. Subject to the discretion of the City Council, the solicitation may include provisions pertaining to: the information required to be submitted by applicants, including but not limited to the application information specified in the regulations for a license from the Department, the city's application review, vetting, and approval processes; the review and scoring criteria that will be utilized by the city in distinguishing among applicants; applicant background checks and verification requirements; conditions of approval; security features and requirements; operating guidelines, standards, limitations, and requirements; site improvement obligations; maintenance requirements; book, accounting, and record keeping requirements; and/or a draft Development Agreement.

(c) A Development Agreement approved by the City Council is required before any person operates a retail site in the city. Said Development Agreement shall set forth the terms and conditions under which the commercial cannabis activities may be undertaken, in addition to the terms and conditions otherwise set forth in this ordinance. Subject to the agreement of any state Permittee and approval of the City Council, such additional terms and conditions of the Development Agreement may include, but are not limited to, public outreach and education requirements, community service requirements, the payment of mutually agreeable fees and charges, development and operating plans (including site plan, floor plan, and elevations), security measures, operating standards and procedures, site location and design standards, and such other terms and conditions as may be agreed upon by a Permittee and the City Council, as well as those that the City Council deems necessary to protect and promote the public health, safety, and welfare of the community.

(d) In addition to a Development Agreement, no person shall operate a retail site until a conditional use permit has been approved by the planning commission or City Council. The application process for the conditional use permit shall be the same as is generally applicable to conditional use permits in the city, provided that a Development Agreement between the Permittee and the city shall be a condition precedent to approving a conditional use permit.

(e) Nothing in this ordinance is intended or shall be construed as requiring the City Council to approve any Development Agreement(s) or to otherwise allow commercial cannabis activities in the city. No application for a Development Agreement will be accepted except during the times specified by the City Council in a solicitation for applications. The City Council's solicitation for, review of, and approval of any application for a Development Agreement is discretionary, and nothing in this ordinance is intended or shall be interpreted as rendering commercial cannabis activities a "by-right" land use in the city.

#### **6-2.04 Fees and Charges.**

(a) Each applicant or Permittee shall timely and fully pay all fees set forth in this ordinance. Failure of an applicant to pay the requisite fees is grounds for denial, and the failure of a Permittee to pay the requisite fees shall constitute a breach of the Development Agreement, and is grounds for revocation of the conditional use permit. Except as otherwise provided herein, the amount of each fee shall be established by resolution of the City Council.

(1) Application fee to cover the city's costs incurred in the initial acceptance and review of an application for a Development Agreement, due and payable in full at the time an application is submitted.

(2) Processing fee(s) to cover the costs incurred in the review, investigation, scoring, and/or selection of an applicant for the award of a Development Agreement shall be due and payable in full at the time an application is submitted. The city may charge a separate processing fee for each round of the application review and selection process. Such Agreement shall be granted in accordance with evaluation criteria specified by the City Council in a notice inviting applications, a request for proposal ("RFP"), or similar solicitation.

(b) In addition to the fees specified in subsection (a), applicants and Permittees shall timely pay all other applicable fees, including, but not limited to, fees associated with processing applications for conditional use permits, Development Agreements, building permits, and plan checks, as well as the city's cost of preparing a Development Agreement.

(c) In addition to the fees set forth in this ordinance, a Development Agreement may provide for a Permittee to pay the city a fair share contribution towards the city's costs incurred. Such costs may include, without limitation, enforcing the provisions of this ordinance, inspecting for and remediating any direct or secondary negative impacts of the commercial cannabis activities, and mitigating impacts to the city's existing public facilities caused by the commercial cannabis facility. If applicable, the remediation payments described in this ordinance shall be memorialized in a Development Agreement, and paid by a Permittee to the city in strict accordance with the terms thereof.

#### **6-2.05 Development Agreement and Operating Standards.**

(a) Permittees, and the premises upon which commercial cannabis activities are operated, shall strictly comply with this ordinance, the Development Agreement, the conditional use permit, the Act, and anything else required by the Department or the State licensing authority. To the extent of a conflict among any of the foregoing, the more restrictive provision shall control unless a different intent is clear from context.

(b) A fee of no more than 5% of gross receipts may be required in the Development Agreement. Such a fee shall be negotiated with Permittees and incorporated into the subsequent Development Agreement. This fee is to sunset upon the establishment of a local commercial cannabis tax.

(c) All premises where commercial cannabis activities are operated shall comply with the following minimum development and operating standards:

(1) Commercial cannabis activities shall occur in a fully enclosed and permanent building, as described in this ordinance.

(2) Persons under the age of twenty-one (21) shall be prohibited from the premises at all times, other than as lawful customers permitted under State law in the case of Medicinal cannabis retailers. If such retail establishment sells Medicinal cannabis, persons under the age of twenty-one (21) and over the age of eighteen (18) shall be permitted to enter the establishment only after verification that they possess a valid Medical Marijuana ID card.

(3) A premises shall notify patrons of the following through the posting of a sign outside the premises posted in a conspicuous location near the entrance of the building:

(i) That loitering on and around the premises is prohibited by California Penal Code § 647(e).

(ii) That patrons must immediately leave the site upon concluding the reason for their visit, and may not consume cannabis or cannabis products on the premises.

(iii) That patrons may be subject to prosecution under federal law.

(iv) That the use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate machinery.

(4) Permittees shall provide the name and phone number of an on-site staff person who shall be responsible for notification of any operational problems or emergencies associated with the premises or the operation thereof to the Police Department and City Manager.

(5) All commercial cannabis businesses shall be operated within the specific part of the premises specified in the Development Agreement and/or conditional use permit. No commercial cannabis activities shall take place in an area exceeding the square footage authorized in the controlling Development Agreement, conditional use permit, or the licensee's license; whichever is most restrictive.

(6) All exterior windows, doors, loading and unloading docks or bays, and any points of ingress or egress to the premises where the commercial cannabis business will be operated, shall be secured from unauthorized entry by commercial grade, nonresidential locks, and in a manner specifically approved by the Police Department. The exterior of each of the foregoing areas shall be illuminated during twilight hours.

(7) The ingress and egress points of any storage areas for cannabis or cannabis products shall be locked and secured at all times, and shall be under the control of and accessible only to Permittee's authorized personnel as disclosed to the City.

(8) Each Permittee shall implement a track-and-trace system, compliant with the Act, to record the chain of supply of cannabis or cannabis products from "seed-to-sale."

(9) The exterior appearance of the premises, including but not limited to the design, color, landscaping, screening, architectural treatments, signage, and other such aesthetic features of the premises shall comply with the standards applicable to the underlying zoning district, as may be modified or supplemented through the Development Agreement and/or conditional use permit. Except as modified herein, or in a Development Agreement or conditional use permit, the premises shall comply with the development standards applicable to the underlying zoning district.

(10) A valid Development Agreement.

(11) All exterior signage on the premises shall comply with city standards, the Development Agreement and/or conditional use permit. Should these provisions conflict, the terms of the Development Agreement shall control.

(12) The exterior of the premises shall comply with the city's generally applicable lighting standards including, without limitation, fixture type, wattage, illumination levels, shielding; and associated approvals and permits.

(13) All waste generated by or resulting from commercial cannabis activities shall be disposed of as required by law, and Pending disposal such waste shall be stored in a locked and secure area that is under the control of and accessible only to Permittee's authorized personnel.

(14) On-site sales of alcohol or tobacco products, and consumption of food, alcohol, tobacco, cannabis, or cannabis products on the premises is strictly prohibited except that employees may eat in an area separate from the sales floor on their breaks.

(15) The premises shall provide an odor absorbing ventilation and exhaust system so that odor generated inside the structure where commercial cannabis activities are taking place cannot be detected outside the structure, anywhere on adjacent property, public rights-of-way, or within any other unit or structure on the premises where commercial cannabis activities are not taking place.

(16) Be provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose.

(17) Whether or not Applicants have obtained a property for the purposes of their commercial cannabis business prior to their selection, shall have no bearing on their selection.

(18) The Permit Administrator shall have the power and authority to promulgate rules, regulations, and requirements consistent with the provisions of this chapter and other law in connection with the issuance of a registration certificate. The Permit Administrator may designate an employee of his or her department to make decisions and investigate and act pursuant to this chapter.

#### **6-2.06 No transfer or change in ownership of location.**

(a) Permittees may not sell, transfer, pledge, assign, grant an option, or otherwise dispose of, in whole or in part, their rights under or interest in a Development Agreement. It is strictly prohibited for any Owner to sell, transfer, pledge, assign, grant an option, or otherwise dispose of, in whole or in part, their ownership interest in the licensed cannabis business for a minimum period of three (3) years from the start of operation. No Permittee may allow for a separate entity to manage or operate their business or act as their agent in their place. Permittee may only transfer ownership after the initial period of time and with prior discretionary approval of the City Council. Before approving any such request, City may require the purchaser, assignee, or transferee to provide the same information and materials that are required of an initial applicant, including the payment of associated fees.

(b) Before exercising any rights under a Development Agreement, Permittees shall demonstrate proof of lawful possession of the premises where commercial cannabis activities are proposed to take place. Such evidence shall consist of properly executed deeds of trust, leases, licenses, or similar documents evidencing the Permittee's right to possession and use of the premises. Subject to the criteria specified by the City Council in its solicitation for applications, a Development Agreement shall be awarded contingent upon an applicant's subsequent identification of a premises that is acceptable to the City; or, subject to an applicant's provision of an option, letter of intent, or similar instrument executed by the current owner of the proposed premises in favor of a Permittee or applicant, authorizing commercial cannabis activities to be operated therein.

(c) Commercial cannabis activities may only take place within the area, building, structure, and portion of the premises that is specifically described in Development Agreement and/or conditional use permit. A Permittee shall not relocate, move, or otherwise alter the location of its operations from the specific area so identified without obtaining prior approval from the City; regardless of any possessory interest or right to possession to such additional areas. No Permittee shall add additional or contiguous units or areas, thereby altering the initially approved premises, without prior approval of the City Council.

(d) Permittee shall not sublet, transfer, or otherwise assign any portion of any approved premises for any purpose, unless the City Council grants prior approval of such amendment.

(e) Permittee shall not make any physical change, alternation, or modification to the approved premises that, in the opinion or discretion of the building official, materially or substantively alters the location or usage of the premises from the plans approved in the Development Agreement and/or conditional use permit, without the advanced approval of the City Council. For purposes of this subsection, the phrase "materially or substantively alters" shall mean any physical change, alternation, or modification to the area of the premises identified in the Development Agreement or conditional use permit for the operation of commercial cannabis activities that either: (1) increases the capacity or scope of commercial cannabis activities by five percent (5%) or more; or (2) requires a building permit.

(f) Permittees shall not have a common owner.

## 6-2.07 Minimum Security Requirements.

(a) Permittees shall comply with the security standards and requirements set forth in this ordinance, the Development Agreement, the conditional use permit, and the Act. If any of the foregoing are inconsistent, the most restrictive provision shall control unless a different intent is clear from context.

(b) Security Standards are as follows:

(1) Owner shall establish a security system that prevents individuals from remaining on the premises of the commercial cannabis business if they are not engaging in an activity directly related to the permitted operations of the commercial cannabis business and establishing limited access areas accessible only to authorized commercial cannabis business personnel.

(2) Panic buttons shall be installed in all commercial cannabis businesses.

(3) Sensors shall be installed to detect entry and exit from all secure areas.

(4) Each commercial cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

(5) All Security Personnel shall be vetted through and approved by the Police Department.

(c) All Premises where commercial cannabis activities are operated and their personnel shall comply with the following minimum security standards:

(1) Security Cameras.

a. Security cameras shall be installed and maintained on the premises in a good working condition, and shall be capable of producing digitally recorded documentation in a format approved by the Police Department.

b. All security cameras on the premises shall be in use twenty-four (24) hours per day, seven (7) days per week. Permittees are responsible for ensuring that all surveillance equipment is properly functioning and maintained so that the playback quality is suitable for viewing and the surveillance equipment is capturing the identity of all individuals and activities in the monitored areas.

c. All video surveillance equipment shall have sufficient battery backup to support a minimum of four (4) hours of recording in the event of a power outage.

d. The areas of the premises to be covered by the security cameras include, but are not limited to: (1) all storage areas for cannabis or cannabis products; (2) all areas where commercial cannabis activities are operated; (3) each location where weighing, packaging, transport, preparation, or tagging activities occur; (4) the interior and exterior of all points of ingress or egress to storage areas; (5) all doors and windows; (6) loading and unloading bays, the interior and exterior of all points of ingress or egress to the structure on the premises where commercial cannabis activities are operated, and (7) all points of ingress or egress to the premises.

e. Surveillance recording equipment must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees or local law enforcement agencies for appropriate purposes.

f. All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points.

g. At least one camera shall be dedicated to recording the access points to the secured surveillance recording area.

h. Permittees shall keep a current list of all authorized employees and personnel who have access to the surveillance system and/or room on the premises.

i. Permittees shall keep a surveillance equipment maintenance activity log to record all service activity, including the identity of the individual performing the service, the service date and time, and the reason for service. Such records shall be maintained on the premises and shall be made available to the city upon request.

j. The system shall be capable of recording all pre-determined surveillance areas in any lighting conditions.

k. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the requirements described in this ordinance, video monitors, digital archiving devices, a color printer, and the capability to produce still color photograph from any camera image, live or recorded. The date and time shall be embedded on all surveillance recordings without significantly obscuring the picture. The time on the surveillance video is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory.

l. Video surveillance systems must be equipped with a failure notification system that provides prompt notification of any prolonged surveillance interruption and/or the complete failure of the surveillance system to the Permittee and Police Department.

m. All surveillance recordings must be kept for a minimum of ninety (90) days and be in a format that can be easily accessed for viewing. Video recordings must be archived in a format that ensures authentication of the recording as a legitimately captured video, and ensures no alteration of the recorded image has taken place.

n. After the ninety-day (90) surveillance video retention period has lapsed, surveillance video recordings must be erased or destroyed prior to being discarded or disposed of for any other purposes. Surveillance video recordings may not be destroyed if the permittee(s) knows, or should have known of a pending criminal, civil, or administrative investigation, or any other proceedings for which the recording may contain relevant information.

o. Upon request, Permittees shall make available to the Police Department or local law enforcement agency, for law enforcement purposes, all information related to security alarm systems, recordings, monitoring, and/or system activity.

p. Permittees may utilize off-site monitoring and video recording storage, or an independent third-party service, to satisfy the requirements of this ordinance, provided the standards exercised at the remote location meet or exceed all standards for on-site monitoring set forth herein.

q. The cannabis business shall be responsible for ensuring that the security surveillance camera footage is compatible with the city's software and hardware and remotely accessible by the Chief of Police. Alarm systems shall send real time alerts directly to the Police Department.



(2) Alarm System.

a. The premises shall be equipped with a reliable, commercial alarm system that is operated and monitored by a security company or alarm business twenty-four (24) hours a day, seven (7) days a week, operating in full compliance with this ordinance.

b. Permittees shall maintain on the premises up to date and current records and existing contracts with third party alarm system or security services providers that: (1) describe the location and operation of each security alarm system, (2) a schematic of security zones, (3) the name of the alarm company, and, if different from the name of the alarm company, (4) the name of any vendor monitoring the premises.

c. At a minimum, the alarm system shall monitor all exterior points of access into the structure on the premises where commercial cannabis activities are operated, including but not limited to windows and doors.

(3) Security Guard. At all times a premises is open to the public, at least one security guard shall be present who is licensed, possesses a valid department of consumer affairs "security guard card".

(4) Records. All records applicable to the surveillance system, alarm system, and track-and-trace system shall be maintained on the premises, and available for inspection upon request by the Police Department or other local law enforcement personnel for law enforcement purposes or to ensure compliance with this ordinance, the Act, or the Regulations.

**6-2.08 County Health Permit.** The City shall work with The County of Los Angeles to adopt the county's Cannabis Compliance and Enforcement Program and require the city's cannabis Permittees to obtain the county's health permit prior to operation.

**6-2.09 Criminal Penalties.**

(a) Any violation of any provision of this ordinance shall be deemed a misdemeanor and shall be enforced pursuant to Title 1, Chapter 2 of Redondo Beach Municipal Code.

(b) Separate offenses for each day. Any person who violates any provision of this ordinance shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.

(c) Use or activity prohibited by State law. Nothing in this ordinance shall be deemed to permit or authorize any use or activity which is otherwise prohibited by State law

**6-2.10 Violations.**

(a) The city may initiate abatement proceedings as authorized by this ordinance or state law to correct or cure any violation of this ordinance. The city shall be entitled to recover its courts costs and reasonable attorneys' fees in the event of a court order or judgment of abatement is entered in favor of the city.

(b) Any person violating any of the provisions of this ordinance shall be guilty of a misdemeanor.

(c) The remedies provided herein are not to be construed as exclusive remedies. The city is authorized to pursue any proceedings or remedies provided by law.

(d) Violations declared a public nuisance. Each and every violation of the provisions of this chapter is hereby deemed unlawful and a public nuisance.

**6-2.11 Audits.** No later than February 15 of every calendar year, each Permittee shall file with the city one copy of an audit of its operations for the previous calendar year, completed and certified by an independent certified public accountant in accordance with generally accepted auditing and accounting principles. The audit shall include, but not be limited to, a discussion, analysis, and verification of each of the records required to be maintained pursuant to this ordinance.

**6-2.12 Records.**

(a) Permittees shall maintain records at the premises accurately and truthfully documenting the following:

(1) Each owner and operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the full names, address, and telephone number) of anyone owning, holding an interest in or managing the commercial cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the commercial cannabis business. The register required by this paragraph shall be provided to the city manager or his/her designee upon a reasonable request.

(2) All receipts of the premises, including but not limited to all payments, purchases, contributions, reimbursements, and reasonable compensation, whether in cash or in kind, concerning commercial cannabis activities, whether among licensees or otherwise.

(3) Commercial cannabis businesses must record all commercial cannabis activity in the track and trace system as required by state law.

(4) Proof of compliance with the Act and regulations, including but not limited to the license issued by the Department authorizing a Permittee to operate commercial cannabis activities on the premises.

(5) Any other required documentation described in the Development Agreement required to be maintained on the premises.

(6) The foregoing records shall be maintained by Permittees for a period of seven (7) years and shall be made available by the Permittee to the Police Department, other local law enforcement, or the city manager upon request. If such records are not produced as requested, the city may seek a search warrant, subpoena, or court order to compel access thereto. The records shall be stored at the premises in a manner capable of being reproduced promptly and accurately. Any loss, damage or destruction of the records shall be reported to the Police Department within twenty-four hours.

(b) Upon institution of a city-wide cannabis tax, it shall be the duty of every owner and operator of a commercial cannabis business to keep all records as may be necessary to determine the amount of tax due hereunder and shall preserve the same for a period of four years. The Finance Director shall have the right to inspect such records at all reasonable times. The Finance Director shall determine the mode and method of recordkeeping required to assist the tax collector to perform the duties required of him under this section. At the time of permit renewal, each owner and operator shall submit to the city a financial audit of the business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the Finance Director. The Finance Director shall be authorized to engage a third-party to perform such audit(s).

### **6-2.13 Compliance with laws.**

Nothing in this chapter shall be construed as authorizing any actions that violate state or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis permit. Nothing in this chapter shall be construed as authorizing any actions that violate state law regarding the operation of a commercial cannabis business. Except as otherwise provided herein, this ordinance incorporates the requirements of the Act. In the event of any conflict between the provisions of this ordinance and the provisions of the foregoing, the more restrictive provision shall control.

**6-2.14 Interpretation.** The provisions of this ordinance shall be read to be consistent with all the provisions of state and local law, and their implementing regulations, as well as the other provisions of this ordinance.

**6-2.15 Severability.** Should any provision of this ordinance, or its application to any persons or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have no effect on any other provision of this ordinance or the application of this ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

### **6-2.16 Limitation of Liability**

(a) To the fullest extent permitted by law, the city shall not assume any liability whatsoever, with respect to receiving, reviewing, processing, denying, or approving any application to operate commercial cannabis activities under this ordinance.

(b) As a condition of submitting an application for a Development Agreement, and as a further condition of approval, each applicant or Permittee, as applicable, shall: (1) agree to indemnify the city and its elected and appointed officers, employees, and representatives, from and against any claims, damages, injuries, or liabilities of any kind relating to or arising from an application, the city's denial or approval of an application, or the

operation of commercial cannabis activities; (2) waive any and all claims, damages, injuries, or liabilities of any kind against the city and its elected and appointed officers, employees, and representatives; (3) agree to defend, at its sole cost and expense, any action against the city and/or its elected and appointed officers, employees, and representatives, relating to or arising from an application, denial or approval of an application, or the operation of a commercial cannabis activity; and (4) agree to reimburse the city for any court costs and attorneys' fees (with legal counsel of the city's choice) incurred in any legal challenge relating to an application, the denial or approval of any application, or the operation of a commercial cannabis activity.

#### **6-2.17 Suspension, revocation or modification of permits.**

(a) Commercial cannabis permits may be suspended, revoked or modified for any violation of any state or local law and/or any rule, regulation, and/or standard adopted pursuant to this chapter or in this Code, whether committed by the Permittee or any employee or agent of the Permittee.

(b) A decision of the city to suspend, revoke or modify a commercial cannabis permit is appealable to a hearing officer and any appeal must be filed with the city manager at least ten (10) working days prior to the commencement date of the permit revocation or modification.

(1) The City Clerk shall not accept an appeal, and no hearing shall be held, unless the appellant has paid a filing fee, in an amount set by resolution of the City Council, to defray the cost of such appeal. Any appeal without the timely payment of fees shall be considered to be untimely.

(2) The scope of the appeal hearing pursuant to this section shall be limited to those issues raised by the appellant in the written appeal, as submitted pursuant to subsection (a) of this section.

(3) Upon receipt of a timely filed appeal, the City Clerk shall set the matter for hearing before the City Manager. The hearing shall be held not fewer than fifteen (15) calendar days and not more than thirty (30) calendar days from the date of the appeal request. The hearing may be continued from time to time upon the mutual consent of the parties.

(4) The appellant shall be provided with notice of the time and place of the appeal hearing, as well as a copy of all relevant materials at least fifteen (15) calendar days prior to the hearing.

(5) An appeal shall stay all proceedings in furtherance of the appealed action. Following appeal, the decision of the hearing officer may be appealed to the city council. A decision of the city council shall be the final decision of the city.

(c) Any premises, or portion of a premises, for which the cannabis public health permit has been suspended or revoked shall close, cease doing business, and remain closed until the cannabis Health Permit has been reinstated or reissued by the City Health Officer.

(d) Additionally, when there is an imminent threat to public health, safety or welfare, the city manager or his/her designee, may take immediate action to temporarily suspend a commercial cannabis permit issued by the city, pending a hearing before the city

manager or his/her designee within ten (10) working days of suspension. The decision of the City Manager may be appealed to the City Council, whose decision shall be final.”

SECTION 4. Any provisions of the Redondo Beach Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 5. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 6. This ordinance shall be published by one insertion in the official newspaper of said city, and same shall go into effect and be in full force and operation from and after thirty (30) days after its final passage and adoption.

PASSED, APPROVED AND ADOPTED this 6th day of September, 2022.

\_\_\_\_\_  
William C. Brand, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Michael W. Webb, City Attorney

\_\_\_\_\_  
Eleanor Manzano, City Clerk

ATTEST:

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES        )        SS  
CITY OF REDONDO BEACH         )

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Ordinance No. 3240-22 was introduced at a regular meeting of the City Council held on the 16th day of August, 2022, and approved and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 6th day of September, 2022, and there after signed and approved by the Mayor and attested by the City Clerk, and that said Ordinance was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Eleanor Manzano, CMC  
City Clerk

**ORDINANCE NO. 3241-22**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING TITLE 10, CHAPTER 2 SECTION 10-2.1626 OF THE REDONDO BEACH MUNICIPAL CODE TO ALLOW COMMERCIAL CANNIBIS ACTIVITIES INLAND ZONES OF THE CITY**

WHEREAS, on November 8, 2016, Proposition 64, the Control, Regulate, and Tax Adult Use of Cannabis Act (“AUMA”) became law; and

WHEREAS, the AUMA regulates, among other items, the use of cannabis for personal and commercial purposes, including the recreational use of cannabis by adults over 21 years of age; and

WHEREAS, the personal use aspects of the AUMA were adopted as state law in California Health and Safety Code Section 11362.1, et. seq., which makes it “lawful under state and local law” for persons 21 years of age or older to “possess, process, transport, purchase, obtain, or give away to persons 21 years of age or older without any compensation whatsoever” up to 28.5 grams of cannabis in the form of concentrated cannabis contained in cannabis products; and

WHEREAS, the AUMA made it lawful for those individuals to “possess, plant, cultivate, harvest, dry, or process not more than six living cannabis plants and possess the cannabis produced by the plants; and

WHEREAS, cannabis plants, as they begin to flower and for a period of two (2) months or more, produce a strong odor, which can be detectable far beyond property boundaries if grown outdoors; and

WHEREAS, the AUMA made it lawful for individuals above the age of 21 to smoke or ingest cannabis or cannabis products other than in public places, vehicles, within 1000 feet of schools day care centers or youth centers while children are present, or anywhere that the smoking of tobacco products is already prohibited; and

WHEREAS, the AUMA permits cities to “reasonably regulate” without completely prohibiting cultivation of cannabis inside a private residence or inside an “accessory structure to a private residence located upon the grounds of a private residence that is fully enclosed and secure” and to completely prohibit outdoor cultivation on the grounds of a private residence, up to and until a “determination by the California Attorney General that nonmedical use of cannabis is lawful in the State of California under federal law”; and

WHEREAS, to regulate commercial use of cannabis, the AUMA would add Division 10 (Cannabis) to the Business & Professions Code, which grants state agencies “the exclusive authority to create, issue, renew, discipline, suspend, or revoke” licenses for businesses

ORDINANCE NO. 3241-22  
ADDING CHAPTER \* TO TITLE \*  
OF THE REDONDO BEACH MUNICIPAL CODE

PAGE NO. 1



including the transportation, storage, distribution, sale, cultivation, manufacturing, and testing of cannabis; and

WHEREAS, the AUMA provides for the creation of the Bureau of Cannabis within the Department of Consumer Affairs, which shall promulgate cannabis regulations as will the Department of Food and Agriculture and the Department of public health and the state may begin issuing licenses under Business and Professions Code Division 10 beginning January 1, 2018; and

WHEREAS, under the Federal Controlled Substances Act, the use, possession, and cultivation of cannabis are unlawful and subject to federal prosecution without regard to state permissions such as the AUMA or a claimed medical need pursuant to the MMRSA; and

WHEREAS, the California Attorney General's August 2008 Guidelines for the Security and Non-Diversion of Cannabis Grown for Medical Use recognizes that the cultivation or other concentration of cannabis in any location or premises without adequate security increases the risk that nearby homes or businesses may be negatively impacted by nuisance activity such as loitering or crime; and

WHEREAS, based on the experiences of other cities, these negative effects on the public, health, safety, and welfare must be studied prior to the establishment and operation of cannabis cultivation, processing, testing, and distribution uses; and

WHEREAS, based on the findings above, the potential personal cannabis cultivation and use and the possible establishment of commercial cannabis cultivation, processing, testing, transportation, sales and other uses in the City without regulation may pose threat to the public health, safety, and welfare in the City if it is not properly regulated due to the negative land use and other impacts as described above; and

WHEREAS, because the state commercial provisions of the AUMA take effect on January 1, 2018, the City must disallow commercial cannabis activities in order to ensure that local regulations are promulgated and local control maintained; and

WHEREAS, the AUMA states that a local jurisdiction shall not prevent transportation of cannabis or cannabis products on public roads by a licensee transporting cannabis or cannabis products in compliance with Division 10; and

WHEREAS, the "Medical Cannabis Regulation and Safety Act" ("MMRSA") which took effect January 1, 2016, regulates use of cannabis for medical purposes and the City of Redondo Beach adopted Ordinance No. 3152 which promulgated local regulations in accordance with the MMRSA, effective May 5, 2016; and

WHEREAS, the City's Municipal Code does not currently address some of the uses that have become legal pursuant to the passage and adoption of the AUMA and subsequent amendment by SB 94; and

WHEREAS, in response to the enactment of SB 94, the proposed amendment to the Redondo Beach Municipal Code combines medical and recreational cannabis regulations on a local level; and

WHEREAS, on November 8, 2016 the City Council adopted a temporary moratorium on cannabis uses legalized by the passage of Proposition 64, hereinafter referred to as the Adult Use of Cannabis Act (or "AUMA") and directed City staff to begin working on permanent AUMA regulations; and

WHEREAS, on December 19, 2016, that moratorium expired by operation of law; and

WHEREAS, on April 20, 2017 the Planning Commission held a noticed public hearing and took public testimony regarding regulatory options surrounding commercial and personal use of cannabis in the City of Redondo Beach (or "City") pursuant to the passage of the AUMA; and

WHEREAS, on May 18, 2017, the Planning Commission continued the public hearing and after further public input and discussion the Commission directed City staff to return with resolutions recommending the adoption of:

- (1) an ordinance restricting outdoor personal cultivation to secured locations or lockable out buildings only;
- (2) an ordinance disallowing all commercial cannabis activities in the City of Redondo Beach to allow staff to study and create appropriate guidelines for the operation of commercial cannabis facilities in the City;
- (3) an amendment to the City's existing medical cannabis regulations to allow the delivery of medical cannabis to qualified patients in the City; and

WHEREAS, in order to create comprehensive and cohesive local system of commercial cannabis regulations, the City enacted a temporary ban while City staff and the Cannabis Taskforce studied all aspects of permitted commercial cannabis activities; and

WHEREAS, on October 5, 2021 the Cannabis Steering Committee presented their findings to the City Council; and

WHEREAS, on January 18, 2022, the City Council considered the draft cannabis ordinance and proposed storefront and delivery citing parameters and buffer maps made suggested changes for staff to review; and

WHEREAS, on March 3, 2022 the Planning Commission considered the draft commercial cannabis regulations and zoning amendments and made recommendations to the Council for consideration; and

WHEREAS, passing a City Council sponsored commercial cannabis ordinance would maintain the City's ability to develop important policy positions, business and land use regulations, and health and safety permits to preserve the quality of life that Redondo's residents, visitors and business community desire and expect; and

WHEREAS a critical companion to this ordinance is a City Council sponsored measure to adopt a Cannabis Business Tax, without the passage of which the City would be financially unable to address the secondary effects of commercial cannabis businesses; and

WHEREAS, this Ordinance is necessary to provide the City of Redondo Beach Police Department clearly established legal authority to protect the public and deter potential criminal cannabis activity; and

WHEREAS, staff made some of those changes and is leaving it to the City Council's discretion to make any of the other suggested amendments or their own changes to this and the other two (2) proposed ordinances; and

WHEREAS, on May 10, 2022, the City Council reviewed draft amendments and directed staff to make changes in addition to engaging an outside consultant to review the ordinances; and

WHEREAS, this ordinance reflects the direction received from the Council and the consultant.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are true and correct, and the recitals are incorporated herein by reference as if set forth in full.

#### SECTION 2. FINDINGS

1. In compliance with the California Environmental Quality Act of 1970, as amended (CEQA), and State and local guidelines adopted pursuant thereto, the zoning amendments qualify for CEQA exemption under Section 15060(c)(2) because the activity will not result in direct or reasonable foreseeable physical change in the environment and Section 15060(c)(3) as the activity is not a considered a project under CEQA Section 15378.
2. The amendments to the Zoning Ordinance are consistent with the General Plan.
3. The amendments to the Coastal Land Use Plan Implementing Ordinance are consistent with the City's Local Coastal Plan (LCP).
4. These amendments do not require a vote of the people under Article XXVII of the City Charter.

SECTION 3. AMENDMENT TO CODE. Title 10, Chapter 2, Section 10-2.1626 of the Redondo Beach Municipal Code shall be amended to read as follows:

#### **“10-2.1626 Marijuana regulations.**

ORDINANCE NO. 3241-22  
AMENDING TITLE 10, CHAPTER 2  
SECTION 10-2.1626 OF THE REDONDO BEACH  
MUNICIPAL CODE REGULATING COMMERCIAL  
CANNABIS ACTIVITY IN INLAND ZONES  
PAGE NO. 4

(a) **Purpose and findings.** The City Council finds that it is in the interest of public health, safety, and welfare of the residents and businesses within the City to responsibly regulate and allow for commercial cannabis activities in the City of Redondo Beach.

(b) **Definitions.**

(1) **“A-license”** means a State license issued under this section for cannabis or cannabis products that are intended for adults twenty-one (21) years of age and over and who do not possess physician’s recommendations.

(2) **“A-licensee”** means any person holding a license under this section for cannabis or cannabis products that are intended for adults twenty-one (21) years of age and over and who do not possess physician’s recommendations.

(3) **“Act”** shall mean the California Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”), as in Business and Professions Code Section 26000 et seq., as amended from time to time

(4) **“Applicant”** shall mean and refer to a person applying for a Development Agreement pursuant to this ordinance.

(5) **“Cannabis”** For the purpose of this section “cannabis” and “cannabis” shall have the same meaning.

(6) **“Cannabis accessories”** means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.

(7) **“Cannabis product”** means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(8) **“Cannabis retailer”** means a commercial cannabis business where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid commercial cannabis business permit from the City of Redondo Beach authorizing the operation of a retailer, and a valid state license as required by state law to operate as a retailer.

(9) **“Caregiver” or “Primary caregiver”** has the same meaning as the term is defined in Section 11362.7 of the State Health and Safety Code.

(10) **“City”** means the City of Redondo Beach.

(11) **“City Council ” or “Council”** means the City Council of the City of Redondo Beach.

(12) **“City Manager”** means the City Manager of the City of Redondo Beach or his or her designee(s).

(13) **“Commercial cannabis activity”** includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, distribution, delivery or sale of cannabis and cannabis products.

(14) **“Commercial cannabis permit”** means the permit issued by the City under RBMC Section 6-2.00.

(15) **“Conditional Use Permit”** means the permit issued by the City under RBMC Section 10-5.2506.

(15) **“Cultivation”** means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

(16) **“Cultivation site”** means a location where cannabis is planted, grown, harvested, dried, cured, graded or trimmed, or a location where any combination of those activities occurs.

(17) **“Customer”** means a natural person twenty-one (21) years of age or over or a natural person eighteen (18) years of age or older who possesses a physician’s recommendation.

(18) **“Day care center”** means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age child care centers.

(19) **“Delivery”** means the commercial transfer of cannabis or cannabis products to a customer. “Delivery” also includes the use by a retailer of any technology platform owned and controlled by the retailer (or a microbusiness engaging in retail sales).

(20) **“Department”** means the Department of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Cannabis Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Cannabis Regulation.

(21) **“Development Agreement”** means a contract between the City of Redondo Beach and the selected applicant.

(22) **“Dispensary” or “storefront retailer”** means a location where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products.

(23) **“Distribution”** means the procurement, sale, and transport of cannabis and cannabis products between licensees.

(24) **“Edible cannabis product”** means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Section 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code.

(25) **“Gross receipts”** means, except as otherwise specifically provided herein, whether designated as a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, and property of any kind or nature) received or payable for sales of goods, wares, or merchandise without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, or service costs, interest paid or payable, losses, or any other expense whatsoever. However, the following shall be excluded from gross receipts:

- (a) Cash discounts where allowed and taken on sales;
- (b) Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
- (c) Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

(d) Receipts derived from the occasional sale of used, obsolete, or surplus trade fixtures, machinery, or other equipment used by the taxpayer in the regular course of the taxpayer's business;

(e) Cash value of sales, trades, or transactions between departments or units of the same business;

(f) Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a given year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered; and

(g) Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar.

(26) **"Hearing officer"** means the City Manager or his/her designee, who shall preside over administrative hearings.

(27) **"Manufacture"** means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

(28) **"Manufacturer"** means a person that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or re-labels its container, that holds a State license pursuant to this section.

(29) **"Cannabis"** or **"cannabis"** means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this section, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

(29) **"Medicinal cannabis"** means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), California Health and Safety Code Section 11362.5, by a medicinal cannabis patient in California who possesses a physician's recommendation.

(30) **"Medicinal delivery"** means the commercial transfer of medicinal cannabis to a customer that possesses a physician's recommendation. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this section that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products.

(31) **"Nursery"** means a license that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

(32) **“Operation”** means any act for which any State or local licensure is required under the provisions of this section or any commercial transfer of cannabis or cannabis products.

(33) **“Owner”** means any of the following:

(a) A person with an aggregated ownership interest of twenty (20%) percent or more in the person or entity applying for a license or a licensee, unless such interest is solely in security, lien, or encumbrance.

(b) The chief executive officer or a member of the board of directors of a nonprofit organization.

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

"Owner" means any of the following:

1. All persons identified as an "owner" on any permit, license, or other authorization issued by a state agency or local government which authorizes the persons to establish and operate the cannabis facility.

2. Any person identified or required to be identified as an "owner" on an application filed with any state agency and any local government, wherein the application requests the privilege to operate the cannabis facility.

3. If no person under subsection 1 or 2, above, exists:

a. A person with an aggregate ownership interest of 20 percent or more in the corporate entity, partnership, or other business entity applying for a permit or a Permittee, 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.

d. An individual who will be participating in the direction, control, or management of the person applying for a permit. A member of the board of directors of a nonprofit.

e. An individual who will be participating in the direction, control, or management of the person applying for a permit.

(34) **“Package”** means any container or receptacle used for holding cannabis or cannabis products.

(35) **“Permit Administrator”** means the Community Development Director or designee.

(36) **“Permittee”** means a person who has obtained a commercial cannabis permit from the city to operate a cannabis business.

(37) **“Person”** includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

(38) **“Physician’s recommendation”** means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.

(39) **“Premises”** means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted

(40) **“Private residence”** means a house, an apartment unit, a mobile home, or other similar dwelling.

(41) **“Purchaser”** means the customer who is engaged in a transaction for purposes of obtaining cannabis or cannabis products.

(42) **“Qualified delivery service”** is one that has been licensed pursuant to the requirements of California Business and Professions Code Section 26050, maintains at all times while operating in the City of Redondo Beach all necessary State licenses, and operates in compliance with State and local law.

(43) **“Sell,” “sale,”** and **“to sell”** includes any transaction whereby, for any consideration, title to cannabis is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a licensee to the licensee from whom such cannabis or cannabis product was purchased.

(44) **“State license”** means a State license issued under this section, and includes both an A-license and an M-license, as well as a testing laboratory license.

(45) **“State licensee”** means any person holding a license under this section, regardless of whether the license held is an A-license or an M-license, and includes the holder of a testing laboratory license.

(46) **“State licensing authority”** means the State agency responsible for the issuance, renewal, or reinstatement of the license, or the State agency authorized to take disciplinary action against the licensee.

(47) **“Testing laboratory”** means a laboratory, facility, or entity in the State that offers or performs tests of cannabis or cannabis products and that is both of the following:

- a. Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the State.
- b. Licensed by the Department.

(48) **“Testing service”** means a laboratory, facility, or entity in the State, that offers or performs tests of cannabis or cannabis products, including the equipment provided by such laboratory, facility, or entity, and that is both of the following:

- a. Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the State.
- b. Registered with the State Department of Public Health.

(49) **“Youth center”** means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

**(c) Commercial cannabis activities prohibited unless specifically authorized by this chapter.**

(1) It shall be unlawful for any person to operate, cause, allow, assist, participate in, engage in, or in any way conduct any commercial cannabis activity within the city, including but not limited to the cultivation, delivery, distribution, manufacture, testing, transport, retail, microbusiness, purchase, sale, testing, distribution, giving away, or otherwise transferring of cannabis or cannabis products, or any other activities for which a license is available except in compliance with the provisions of Section (c)(2) below.

(2) The prohibitions of subsection (a) shall not apply to the following persons, provided said person operates in strict accordance with State and local regulations:



- a. A clinic, licensed pursuant to Chapter 1 of Division 2 of the Health and Safety Code;
- b. Health care facility, licensed pursuant to Chapter 2 of Division 2 of the Health and Safety Code;
- c. A residential care facility for persons with chronic life-threatening illness, licensed pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code;
- d. A residential care facility for the elderly, licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code;
- e. A residential hospice or home health agency, licensed pursuant to Chapter 8 of the Health and Safety Code;
- f. Personal indoor cultivation in compliance with this ordinance;
- g. A licensee's transportation of cannabis or cannabis products on public roads pursuant to subsection (b) of Section 26080 or subsection (e) of Section 26090 of the Business and Professions Code, as the same may be amended from time to time, provided the licensee is permitted or approved to operate by the local jurisdiction in which the licensee's facilities are physically located;
- h. A Permittee authorized to engage in retail activities under this ordinance, provided that said person has entered into a Development Agreement with the city, has been granted a conditional use permit, has been issued the requisite license from the Department, and otherwise complies, at all times, with the provisions of this ordinance.

(3) Until the City establishes a local commercial cannabis tax, the City hereby expressly prohibits the delivery of cannabis and cannabis products within the City except by cannabis retailers based within the City. If the City is required by State law to permit the delivery of cannabis and cannabis products by cannabis retailers not based within the City, such cannabis retailers not based within the City shall be required to comply with the provisions in this ordinance, including, but not limited to, the City commercial cannabis business permit application and approval processes under the ordinance.

(4) Delivery of medicinal cannabis and medicinal cannabis products to qualified patients and their primary caregivers by state licensee cannabis businesses, is permitted within the City until a retailer issued a commercial cannabis business permit.

(5) **Individual cultivation restrictions.**

a. No person shall plant, cultivate, harvest, dry, or process more than six (6) cannabis plants or permit more than six (6) cannabis plants to be planted, cultivated, harvested, dried, or processed within a single private residence, or upon the grounds of that private residence at one time.

b. Personal cultivation permitted under Health and Safety Code Section 11362.2, as amended from time to time, must occur in a secured indoor location or outdoors within a locked structure upon the growers own property, or a property to which they have explicit authority to access, and in an area that is not visible from a public right-of-way.

(6) **Commercial cannabis retailer regulations.**

a. **Cannabis Retailer Permit Required.** A cannabis retailer must obtain and maintain at all times a valid Commercial Cannabis permit as required pursuant to Redondo Beach Municipal Code Title 6, Chapter 6.

b. **Conditional Use Permit and Zoning.**

(1) A Conditional Use Permit is required to establish a cannabis business or operate as a cannabis retailer. Cannabis retailers shall be required to comply with all zoning, land use, and

development regulations applicable to the zoning district in which they are permitted to establish and operate such business as set forth in the Redondo Beach Municipal Code.

- (2) The cannabis retailer is not required to obtain a Conditional Use Permit prior to applying for a Commercial Cannabis Permit.
- (3) If a cannabis retailer is authorized by Conditional Use Permit to operate a cannabis business on a particular site and such operation is discontinued for a continuous period of 12 months, the Conditional Use Permit expires for discontinuance of use and thereafter is void.

c. **Number of Retailers.** No more than two (2) sites may be used for storefront commercial cannabis retailers at any time. Those sites maybe concurrently licensed to provide Delivery.

d. **Location Requirements.**

A. Cannabis retailers shall be permitted only in commercial and industrial zones, specifically limited to the C-1, C-2, C-2A, C-2B, C-2PD, C-3, C-3A, C-3B, C-3PD, C-4, C-4A, C-4B, C-4PD, C-5A, CR, I-1, I-1A, I-1B, I-2, I-2A, and IC-1 zones. Cannabis retailers are prohibited in Coastal Commercial zones. Cannabis retailers are prohibited in any public-institutional zones and zones where residential is permitted.

B. No retailer shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any other cannabis retailer.

C. No retailer shall be established or located within 1,500 feet of any public or private high school or middle school, measured from the nearest property lines of each of the affected parcels.

D. No retailer shall be established or located within 600 feet from public or private elementary schools, day cares, and youth centers, measured from the nearest property lines of each of the affected parcels.

E. Each Council District shall only have one (1) cannabis retail site.

F. No permitted cannabis retailer may operate from a location that has previously been enforced upon for illegal cannabis activities, for a minimum of 5 years from the passing of this ordinance or from the date of the violation, whichever is later.

e. **Operating Requirements.** In addition to those operating requirements specifically set forth in Section 6-2.05, the following operating requirements shall apply to all cannabis retailers operating in the City of Redondo Beach:

A. **Hours of Operation.** Storefront retail sales may be open for access to the public between the hours of 9:00 a.m. and 10:00 p.m., Monday through Sunday. Delivery hours shall be limited to between the hours of 6:00 a.m. and 10:00 p.m., Monday through Sunday.

B. Commercial cannabis activities may only operated within a fully enclosed and permanent building. For purposes of this ordinance, the phrase "fully enclosed and permanent building" shall mean a structure having a roof that is enclosed on all sides and is intended and has a useful life appropriate for long-term use, as contrasted with a "temporary building" that is not designed or intended to be permanently located, placed, or affixed to the premises.

C. No permitted cannabis retailer may operate from a location that has previously been enforced upon for illegal cannabis activities, for a minimum of 5 years from the passing of this ordinance.

D. Notwithstanding the requirements of Section 6-2.07, uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities.

E. For medicinal cannabis, the retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and that the potential customer has a valid physician's recommendation. For adult-use cannabis, the retailer shall verify the age of each customer to ensure the customer is not under the age of twenty-one (21) years.

F. Delivery services are permitted in association with a Cannabis Retailer. Delivery of cannabis shall be permitted in compliance with provision (c)(2)(h) of this Section. A delivery service may operate only as a part of and in conjunction with a retailer permitted pursuant to State law and pursuant to Redondo Beach Municipal Code. Delivery of cannabis from a retailer permitted pursuant to this Section can only be made in a City of County that does not expressly prohibit it by ordinance.

(e) **Public nuisance.** Any use or condition caused, or permitted to exist in violation of any provision of this section within the City limits of the City of Redondo Beach is declared to be a public nuisance and may be abated by the City either pursuant to Title 4, Chapter 10 of Redondo Beach Municipal Code or any available legal remedies, including, but not limited to, civil injunctions.

(f) **Criminal penalties.** Any violation of any provision of this section shall be deemed a misdemeanor and shall be enforced pursuant to Title 1, Chapter 2 of Redondo Beach Municipal Code.

(g) **Separate offense for each day.** Any person who violates any provision of this section shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.

(h) **Use or activity prohibited by State law.** Nothing in this section shall be deemed to permit or authorize any use or activity which is otherwise prohibited by State law.”

SECTION 4. Any provisions of the Redondo Beach Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 5. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 6. This ordinance shall be published by one insertion in the official newspaper of said city, and same shall go into effect and be in full force and operation from and after thirty (30) days after its final passage and adoption.

PASSED, APPROVED AND ADOPTED this 6th day of September, 2022.

\_\_\_\_\_  
William C. Brand, Mayor

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Michael W. Webb, City Attorney

\_\_\_\_\_  
Eleanor Manzano, City Clerk

ATTEST:

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES        )        SS  
CITY OF REDONDO BEACH         )

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Ordinance No. 3241-22 was introduced at a regular meeting of the City Council held on the 16th day of August, 2022, and approved and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 6th day of September, 2022, and there after signed and approved by the Mayor and attested by the City Clerk, and that said Ordinance was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Eleanor Manzano, CMC  
City Clerk



# Administrative Report

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H.11., File # 22-4561

Meeting Date: 8/2/2022

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**To: MAYOR AND CITY COUNCIL**

**From: BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR**

## **TITLE**

ADOPT BY TITLE ONLY ORDINANCE NO. 3233-22 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADDING CHAPTER 6 TO TITLE 6 OF THE REDONDO BEACH MUNICIPAL CODE TO REGULATE COMMERCIAL CANNABIS BUSINESSES

ADOPT BY TITLE ONLY ORDINANCE NO. 3234-22 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING TITLE 10, CHAPTER 2 SECTION 10-2.1626 OF THE REDONDO BEACH MUNICIPAL CODE TO ALLOW COMMERCIAL CANNABIS ACTIVITIES INLAND ZONES OF THE CITY

## **EXECUTIVE SUMMARY**

In order to analyze and identify the cannabis regulations appropriate for Redondo Beach, a Cannabis Steering Committee was appointed by the previous City Manager comprised of representatives from the law enforcement community, RBUSD, BCHD, and other outside interest groups familiar with common best practices for commercial use regulations of cannabis, including storefront siting, taxation, delivery, and development agreement options. The Steering Committee met multiple times over several years, and on October 5, 2021 presented their recommendations to the City Council. Following their recommendations, Council directed staff to begin preparing a draft ordinance designed to regulate commercial cannabis activity in the City.

Per City Council direction, the Planning Commission reviewed the draft cannabis ordinance at a public hearing held on March 3, 2022. The Planning Commission provided several recommendations at the hearing including that the City engage a consultant with experience advising the municipal regulation of the cannabis industry to assist in the review of the City's draft ordinance.

On May 10, 2022 the City Council considered the Planning Commission recommendations and provided direction to staff on the final preparation of ordinances. The Council, as part of that direction, also asked staff to prepare an agreement with HdL Companies ("HdL") to review the City's draft cannabis regulatory ordinances and other cannabis-related procedural tasks. The contract with HDL was approved at the June 21, 2022 City Council meeting.

HdL reviewed the City's draft cannabis regulatory ordinances and provided staff with recommendations and comments. The ordinances were amended to include the Planning Commission recommendations directed by City Council at the May 10, 2022 meeting and the HDL recommendations supported by City staff.

The City Council conducted a public hearing on July 19, 2022 to introduce the ordinances and adopt a resolution to forward the coastal regulations to the California Coastal Commission for certification. After conducting the hearing, the City Council approved the ordinances for introduction and first reading with a minor revision to language in Ordinance 3323-22 to address the potential of a future tax measure being adopted.

This agenda item provides for the adoption of Ordinances 3323-22 and 3324-22 which will amend Title 6 and Title 10 Chapter 2 of the Redondo Beach Municipal Code (RBMC) to implement commercial cannabis regulations and allow cannabis businesses in certain inland zones of the City. Due to extended noticing requirements for changes to land use regulations in the coastal zone, amendments to the regulations in Title 10 Chapter 5 of the RBMC regarding commercial cannabis activities, will be considered for adoption at the September 6, 2022 City Council meeting.

### **BACKGROUND**

California's history of cannabis law spans nearly 25 years of propositions and regulatory actions. More recently, the Medical Marijuana Regulation and Safety Act (MMRSA) that took effect January 1, 2016 regulated the use of marijuana for medical purposes. The City of Redondo Beach adopted Ordinance 3152 which promulgated local regulations in accordance with MMRSA, effective May 5, 2016.

On November 8, 2016, Proposition 64 was adopted by CA voters, titled the Adult Use of Marijuana Act (AUMA). The AUMA regulates the use of marijuana for personal and commercial purposes, including the recreational use of marijuana by adults over 21 years of age, thus expanding the permissions provided by MMRSA. The AUMA permits cities to "reasonably regulate" without completely prohibiting cultivation of marijuana inside a private residence or inside an accessory structure to a private residence, within the limits allowed by the State for personal cultivation.

Although Proposition 64 represented the interest of whether to allow the Adult Use of Marijuana Act, it did not specify how an individual municipality would regulate the commercial aspects of marijuana sales. The State's commercial provisions of AUMA were to take effect on January 1, 2018, requiring a city to disallow commercial marijuana activities in order to ensure that local regulations are promulgated and local control maintained. If a local governing body did not enact such a commercial ban by January 1, 2018, a valid State license would be the only requirement to open and operate a commercial marijuana business in any commercial zone in that city. Therefore, out of caution, and until local regulations and interests could be analyzed, the City of Redondo Beach adopted ordinances to regulate the personal use and cultivation of cannabis, as well as restrict commercial cannabis activities in the City of Redondo Beach. This was an interim measure to prohibit cannabis businesses until the City could more thoroughly investigate the appropriate regulations to put in place.

One of the prior objectives included in the City Council's adopted Strategic Plan included the previous City Manager's appointment of a Cannabis Steering Committee (CSC) comprised of law enforcement, RBUSD, BCHD, and outside interest groups to review best practices for commercial use regulations of cannabis, including storefront siting, taxation, delivery, and development agreement options, and to prepare a report for Planning Commission and City Council consideration. Members of the Redondo Beach Police Department, Fire Department, Community Development

Department, and the City Treasurer's Office met jointly in support of the work of the CSC.

City Council considered the Steering Committee recommendations at their October 5, 2021 meeting and directed staff to prepare ordinances in line with those recommendations. At the January 18, 2022 meeting, Council finalized the siting parameters and land use buffers to be evaluated and included in the ordinance.

Staff prepared the ordinances and presented those at a public hearing of the Planning Commission on March 3, 2022. The Planning Commission made several recommendations, including "engaging a thoroughly vetted and referenced consultant with experience evaluating the cannabis industry to evaluate the ordinance in its entirety."

At the May 10, 2022 meeting, City Council provided direction on the Planning Commission recommendations and their incorporation into the ordinances, as well as direction to engage HdL Companies ("HdL") for a scope of work to include the following:

- Review the City's Draft Cannabis Regulatory Ordinance
- Develop Draft Cannabis Tax Ordinance
- Application Process Development
- Cost Recovery Fee Analysis
- Attendance, Support or Presentations at Meetings or Workshops
- Technical Assistance and Subject Matter Expertise

At the June 21, 2022 meeting, City Council approved the contract with HdL, and the firm subsequently began reviewing the City's draft cannabis regulatory ordinances. At the July 19, 2022 public hearing, City Council introduce the ordinances to implement the cannabis regulations, including those Planning Commission recommendations approved by Council at the May 10, 2022 meeting, as well as certain language changes suggested by HDL.

In compliance with the California Environmental Quality Act of 1970 as amended (CEQA), and State and local guidelines adopted pursuant thereto, the zoning amendments captured by the ordinances qualify for CEQA exemption under Section 15060(c)(2); the activity will not result in direct or reasonably foreseeable physical change in the environment and Section 15060(c)(3) as the activity is not a considered a project under CEQA Section 15378.

In addition to the consideration of the ordinances, a resolution to forward the coastal regulations to the California Coastal Commission for certification was adopted at the July 19, 2022 meeting. This agenda item is for City Council consideration of adoption of the ordinances not in the coastal zone. The ordinance in the coastal zone will be returned for consideration of adoption on September 6<sup>th</sup>.

### **COORDINATION**

The preparation of the ordinances and resolution was done in coordination with the City Manager's Office and the City Attorney's Office. The draft ordinances were prepared by the City Attorney's Office and the Community Development Department.

### **FISCAL IMPACT**

The fiscal impact to the City for regulating cannabis sales and delivery in Redondo Beach is unknown



at this point. There are many variables to consider including 1) the number and types of licenses to be approved, 2) the volume of business and sales from future local cannabis operations, 3) the specific franchise fee or tax rate charged for cannabis sales in Redondo Beach, 4) the amount of staff time allocated to regulatory and enforcement activities, and 5) the potential for legal challenge to the City's licensing activities.

Notwithstanding the above variables, staff's initial estimate is that each licensed site in Redondo Beach could provide \$500,000 to \$1,000,000 in additional annual General Fund revenue, provided the City moves forward with the adoption of a regulatory ordinance and the proposed tax and/or developer agreement fees.

The preparation of the ordinances, staff report, and community input survey are within the workplan and annual budgets of the Community Development Department, City Manager's Office, and the City Attorney's Office.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- Ordinance No. 3233-22
- Ordinance No. 3234-22
- City Council Staff Report July 19, 2022
- Proof of Publication Public Hearing Notice July 19, 2022
- HdL Review Matrix
- City Council Staff Report May 10, 2022
- City Council Presentation May 10, 2022
- Planning Commission Resolution 2022-03-PCR-02 adopted March 3, 2022
- Planning Commission Minutes March 3, 2022
- Planning Commission Staff Report March 3, 2022
- Planning Commission Presentation March 3, 2022



# Administrative Report

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L.1., File # 22-3838

Meeting Date: 7/19/2022

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**To:** MAYOR AND CITY COUNCIL

**From:** BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR

**TITLE**

PUBLIC HEARING FOR INTRODUCTION AND FIRST READING OF ORDINANCES AMENDING TITLE 6 BUSINESSES, PROFESSIONS, AND TRADES, TITLE 10, CHAPTER 2, ZONING AND LAND USE AND TITLE 10, CHAPTER 5 COASTAL LAND USE PLAN IMPLEMENTING ORDINANCE PERTAINING TO CANNABIS REGULATIONS AND RECOMMENDING THAT THE CITY COUNCIL ADOPT CATEGORICAL EXEMPTIONS FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE AMENDMENTS

**PROCEDURES:**

1. Open public hearing and take testimony;
2. Close public hearing and deliberate; and
3. Introduce the following three ordinances and adopt the following resolution:

INTRODUCE BY TITLE ONLY ORDINANCE NO. 3233-22 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADDING CHAPTER 6 TO TITLE 6 OF THE REDONDO BEACH MUNICIPAL CODE TO REGULATE COMMERCIAL CANNABIS BUSINESSES

INTRODUCE BY TITLE ONLY ORDINANCE NO. 3234-22 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING TITLE 10, CHAPTER 2 SECTION 10-2.1626 OF THE REDONDO BEACH MUNICIPAL CODE TO ALLOW COMMERCIAL CANNABIS ACTIVITIES INLAND ZONES OF THE CITY

INTRODUCE BY TITLE ONLY ORDINANCE NO. 3235-22 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING TITLE 10, CHAPTER 5 SECTION 10-5.1626 OF THE REDONDO BEACH MUNICIPAL CODE TO ALLOW COMMERCIAL CANNABIS ACTIVITIES IN COASTAL ZONES OF THE CITY

ADOPT BY TITLE ONLY RESOLUTION NO. 2207-056 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, REQUESTING CERTIFICATION BY THE CALIFORNIA COASTAL COMMISSION OF AMENDMENTS TO THE COASTAL LAND USE PLAN IMPLEMENTATION ORDINANCE (TITLE 10, CHAPTER 5 OF THE MUNICIPAL CODE) CONSISTENT WITH STATE LAW, WHICH IS INTENDED TO BE CARRIED OUT IN A MANNER FULLY IN CONFORMITY WITH THE COASTAL ACT; AND PROVIDING THAT THE AMENDMENTS TO THE CITY'S LOCAL COASTAL PROGRAM WILL TAKE EFFECT AUTOMATICALLY UPON COASTAL COMMISSION APPROVAL PURSUANT TO PUBLIC RESOURCES CODE SECTION

30514 AND TITLE 14, SECTION 13551 OF THE CALIFORNIA CODE OF REGULATIONS

**EXECUTIVE SUMMARY**

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Per City Council direction, the Planning Commission reviewed the draft cannabis ordinance at a public hearing held on March 3, 2022. The Planning Commission provided several recommendations at the hearing including that the City engage a consultant with experience advising the municipal regulation of the cannabis industry to assist in the review of the City's draft ordinance.

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HdL has since reviewed the City's draft cannabis regulatory ordinances and provided staff with recommendations and comments. The ordinances have been amended to include the Planning Commission recommendations directed by City Council at the May 10, 2022 meeting and the HDL recommendations supported by City staff. The public hearing provides the City Council an opportunity to consider the ordinances and approve them for introduction and first reading.

In addition to the consideration of the ordinances, a resolution to forward the coastal regulations to the California Coastal Commission for certification is also part of this public hearing and consideration.

**BACKGROUND**

California's history of cannabis law spans nearly 25 years of propositions and regulatory actions. More recently, the Medical Marijuana Regulation and Safety Act (MMRSA) that took effect January 1, 2016 regulated the use of marijuana for medical purposes. The City of Redondo Beach adopted Ordinance 3152 which promulgated local regulations in accordance with MMRSA, effective May 5, 2016.

On November 8, 2016, Proposition 64 was adopted by CA voters, titled the Adult Use of Marijuana Act (AUMA). The AUMA regulates the use of marijuana for personal and commercial purposes, including the recreational use of marijuana by adults over 21 years of age, thus expanding the permissions provided by MMRSA. The AUMA permits cities to "reasonably regulate" without completely prohibiting cultivation of marijuana inside a private residence or inside an accessory structure to a private residence, within the limits allowed by the State for personal cultivation.

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did not specify how an individual municipality would regulate the commercial aspects of marijuana sales. The State's commercial provisions of AUMA were to take effect on January 1, 2018, requiring a city to disallow commercial marijuana activities in order to ensure that local regulations are promulgated and local control maintained. If a local governing body did not enact such a commercial ban by January 1, 2018, a valid State license would be the only requirement to open and operate a commercial marijuana business in any commercial zone in that city. Therefore, out of caution, and until local regulations and interests could be analyzed, the City of Redondo Beach adopted ordinances to regulate the personal use and cultivation of cannabis, as well as restrict commercial cannabis activities in the City of Redondo Beach. This was an interim measure to prohibit cannabis businesses until the City could more thoroughly investigate the appropriate regulations to put in place.

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City Council considered the Steering Committee recommendations at their October 5, 2021 meeting and directed staff to prepare ordinances in line with those recommendations. At the January 18, 2022 meeting, Council finalized the siting parameters and land use buffers to be evaluated and included in the ordinance.

Staff prepared the ordinances and presented those at a public hearing of the Planning Commission on March 3, 2022. The Planning Commission made several recommendations, including "engaging a thoroughly vetted and referenced consultant with experience evaluating the cannabis industry to evaluate the ordinance in its entirety."

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- Develop Draft Cannabis Tax Ordinance
- Application Process Development
- Cost Recovery Fee Analysis
- Attendance, Support or Presentations at Meetings or Workshops
- Technical Assistance and Subject Matter Expertise

At the June 21, 2022 meeting, City Council approved the contract with HdL, and the firm subsequently began reviewing the City's draft cannabis regulatory ordinances. As mentioned above, this public hearing provides the City Council an opportunity to consider the regulations set by the ordinances, which have been amended to incorporate the Planning Commission recommendations directed by Council at the May 10, 2022 meeting and certain language changes suggested by HdL that are also supported by City staff.

HdL's review yielded recommendations on amendments to Title 6, which defines the manner in which the City would administer cannabis regulations and the parameters within which cannabis businesses must operate. Below is a summary of the review. Attached to this report is a comprehensive matrix of HdL's review and staff's response to each of the recommendations/comments.

Section	Ordinance Topic	HdL Comment	Staff Response
6-2.03(b)	Application administration & approval	Expand section to include clarifying language	Accepted HdL Recommendation
6-2.04(b)	Fees types	Expand section to include specific fee reference	Ordinance unchanged (see attached comments)
6-2.04(c)	Fees within Development Agreement	Add specific fee language	Ordinance unchanged (see attached comments)
6-2.05(b)	Fee cap	Provided examples of what other cities do	Ordinance unchanged (see attached comments)
6-2.05(c)(2)	Age limitations and requirements	Flagged to check against state law	Ordinance unchanged (see attached comments)
6-2.05(c)(17)	Property selection for commercial cannabis business	Expand definition	Ordinance unchanged (see attached comments)
6-2.12(b)	Auditing right of City	Expand section to allow for flexibility	Accepted HdL Recommendation

In compliance with the California Environmental Quality Act of 1970 as amended (CEQA), and State and local guidelines adopted pursuant thereto, the zoning amendments captured by the ordinances qualify for CEQA exemption under Section 15060(c)(2); the activity will not result in direct or reasonably foreseeable physical change in the environment and Section 15060(c)(3) as the activity is not a considered a project under CEQA Section 15378.

In addition to the consideration of the ordinances, a resolution to forward the coastal regulations to the California Coastal Commission for certification is also part of this public hearing and consideration. If the ordinances are approved for introduction and first reading an item for City Council consideration of adoption of the ordinances not in the coastal zone will be returned on August 2<sup>nd</sup>. The ordinance in the coastal zone will be returned for consideration of adoption on September 6<sup>th</sup>.

## **COORDINATION**

The preparation of the ordinances and resolution was done in coordination with the City Manager's Office and the City Attorney's Office. The draft ordinances were prepared by the City Attorney's Office and the Community Development Department.

**FISCAL IMPACT**

The fiscal impact to the City for regulating cannabis sales and delivery in Redondo Beach is unknown at this point. There are many variables to consider including 1) the number and types of licenses to be approved, 2) the volume of business and sales from future local cannabis operations, 3) the specific franchise fee or tax rate charged for cannabis sales in Redondo Beach, 4) the amount of staff time allocated to regulatory and enforcement activities, and 5) the potential for legal challenge to the City's licensing activities.

Notwithstanding the above variables, staff's initial estimate is that each licensed site in Redondo Beach could provide \$500,000 to \$1,000,000 in additional annual General Fund revenue, provided the City moves forward with the adoption of a regulatory ordinance and the proposed tax and/or developer agreement fees.

The preparation of the ordinances, staff report, and community input survey are within the workplan and annual budgets of the Community Development Department, City Manager's Office, and the City Attorney's Office.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- Ordinance No. 3233-22
- Ordinance No. 3234-22 (Inland)
- Ordinance No. 3235-22 (Coastal)
- Resolution No. 2207-056
- HdL Review Matrix
- City Council Staff Report May 10, 2022
- City Council Presentation May 10, 2022
- Planning Commission Resolution 2022-03-PCR-02 adopted March 3, 2022
- Planning Commission Minutes March 3, 2022
- Planning Commission Staff Report March 3, 2022
- Planning Commission Presentation March 3, 2022
- Proof of Publication Public Hearing Notice

Section	Current Ordinance Language	HdL Comment	Staff Comment
6-2.03(b)	"Whether to issue a solicitation for applications, the manner of accepting applications, the manner of application review, and whether to approve or deny any such application shall be <b>subject to the sole and absolute discretion of the City Council.</b> "	Most cities provide for the City Manager (or designee) to create reasonable rules/regulations to administer the application process. e.g. cities will sometimes have an "FAQ" page to clarify certain requirements, after the process has been adopted by City Council. With this language, the FAQ would may also have to be approved by City Council to take effect.	Incorporate City Manager or designee language as it relates to accepting/reviewing/administering applications. However, approval/denial left at the sole discretion of City Council.
6-2.04(b)	"In addition to the fees specified in subsection (a), applicants and Permittees shall timely pay all other applicable fees, including, but not limited to, fees associated with processing applications for conditional use permits, Development Agreements, building permits, and plan checks , as well as the city's cost of preparing a Development Agreement."	Add reference to background check fees.	As is, language already is broad enough to include other fees not listed including background check fees.
6-2.04(c)	"In addition to the fees set forth in this ordinance, a Development Agreement may provide for a Permittee to pay the city a fair share contribution towards the city's costs incurred. Such costs may include, without limitation, enforcing the provisions of this ordinance, inspecting for and remediating any direct or secondary negative impacts of the commercial cannabis activities, and mitigating impacts to the city's existing public facilities caused by the commercial cannabis facility. If applicable, the remediation payments described in this ordinance shall be memorialized in a Development Agreement, and paid by a Permittee to the city in strict accordance with the terms thereof."	Annual regulatory costs would be better covered under an annual "permitting fee" or "regulatory fee" established outside of the Development Agreement negotiation process.	Keep Ordinance language as is.
6-2.05(b)	A fee of no more than 5% of gross receipts may be required in the Development Agreement. <b>Such a fee shall be negotiated with Permittees and incorporated into the subsequent Development Agreement.</b> This fee is to sunset upon the establishment of a local commercial cannabis tax.	Other cities have taken the position that fee must be "negotiated" through application process, by having businesses propose the fee amount to the City. City may consider/score/rank proposed rates, and factor the fee amount into selection process.	Ordinance language is flexible enough that it's setting a ceiling and not setting the fee. However, staff added language to ensure that it is clear that the fee is to be negotiated with the applicant in the Development Agreement.

Section	Current Ordinance Language	HdL Comment	Staff Comment
6-2.05(c)(2)	<p>"Persons under the age of twenty-one (21) shall be prohibited from the premises at all times, other than as lawful customers permitted under State law in the case of Medicinal cannabis retailers. If such retail establishment sells Medicinal cannabis, persons under the age of twenty-one (21) and over the age of eighteen (18) shall be permitted to enter the establishment only after verification that they possess a valid Medical Marijuana ID card."</p>	<p>Recommend checking against State law. I believe persons 18+ can gain access with MMID or physician's recommendation. MMID's are becoming less and less common over time.</p>	<p>The concern regarding teen/underage access to such facilities is a major player in all discussions on the subject of cannabis sales regulations in RB. Anything seen to water down or diminish enforcement of the age requirements may cause concern for community members.</p>
6-2.05(c)(17)	<p>"Whether or not Applicants have obtained a property for the purposes of their commercial cannabis business prior to their selection, shall have no bearing on their selection."</p>	<p>What does "obtained" mean? Most (if not all) cities require, at a minimum, that businesses obtain property owner authorization to apply for a cannabis business license from that location. HdL recommends limiting applications to no more than two per location. May need to clarify that "obtain" means lease/own. Or, are you suggesting that applicants do not have to identify a location to apply for a license? If that's the case, City should anticipate a significant number of applications, since location is one of the only factors limiting number of applications that a city will receive.</p>	<p>The direction of the Planning Commission and City Council is clear: a location need not be secured by an Applicant prior to seeking a commercial cannabis license from the City. Regarding the location allowing such activities to take place, that issue is addressed in subsequent Section 6-2.06(b) "Before exercising any rights under a Development Agreement, Permittees shall demonstrate proof of lawful possession of the premises where commercial cannabis activities are proposed to take place." As such, this provision was not amended.</p>
6-2.12(b)	<p>"Upon institution of a city-wide cannabis tax, it shall be the duty of every owner and operator of a commercial cannabis business to keep all records as may be necessary to determine the amount of tax due hereunder and shall preserve the same for a period of four years. The Finance Director shall have the right to inspect such records at all reasonable times. The finance director shall determine the mode and method of recordkeeping required to assist the tax collector to perform the duties required of him under this section. At the time of permit renewal, each owner and operator shall submit to the city a financial audit of the business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the finance director. <b><i>The Finance Director shall be authorized to engage a third-party to perform such audit(s).</i></b>"</p>	<p>City may want to grant Finance Director ability to hire third-party auditor. Some businesses might interpret this to mean that only City staff have ability inspect records. Most cities do not have staff/expertise needed to efficiently/effectively audit cannabis businesses.</p>	<p>Per HdL's suggestion, staff added language specifically permitting the Finance Director to engage a third-party auditor.</p>





# Administrative Report

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N.2., File # 22-3837

Meeting Date: 5/10/2022

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**To:** MAYOR AND CITY COUNCIL  
**From:** BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR

## **TITLE**

DISCUSSION AND POSSIBLE ACTION REGARDING DRAFT ORDINANCES AMENDING TITLE 6 BUSINESSES, PROFESSIONS, AND TRADES, TITLE 10, CHAPTER 2, ZONING AND LAND USE AND TITLE 10, CHAPTER 5 COASTAL LAND USE PERTAINING TO CANNABIS REGULATIONS AND RECOMMENDING THAT THE CITY COUNCIL ADOPT CATEGORICAL EXEMPTIONS FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE AMENDMENTS

CONSIDERATION OF THE RECOMMENDATIONS MADE BY THE PLANNING COMMISSION REGARDING THE DRAFT CANNABIS ORDINANCES AND ADDITIONAL INPUT PROVIDED BY THE PUBLIC

## **EXECUTIVE SUMMARY**

When the Medical Marijuana Regulation and Safety Act (MMRSA), regulating the use of marijuana for medical purposes, took effect January 1, 2016 the City of Redondo Beach adopted Ordinance 3152 to implement local MMRSA regulations. On November 8, 2016, Proposition 64, known as the Adult Use of Marijuana Act (AUMA), was approved by state voters. The AUMA regulates, among other items, the use of marijuana for personal and commercial purposes, including the recreational use of marijuana by adults over 21 years of age.

Proposition 64 stipulated that if a city did not enact local commercial licensing restrictions or a ban by January 1, 2018, a valid state license would be the only thing needed to open and operate a commercial marijuana business in any commercial zone in the city. Therefore, out of caution and until local regulations and interests could be analyzed and identified for implementation, the City of Redondo Beach adopted ordinances to regulate the personal use and cultivation of cannabis and restrict commercial cannabis activities in the City.

In order to analyze and identify the cannabis regulations appropriate for Redondo Beach, a steering committee was appointed by the previous City Manager comprised of representatives from the law enforcement community, RBUSD, BCHD, and other outside interest groups familiar with common best practices for commercial use regulations of cannabis including storefront siting, taxation, delivery, and development agreement options.

The Steering Committee met multiple times over several years, and on October 5, 2021 presented their work and recommendations to the City Council. After considering the presentation, the City Council asked staff to prepare an ordinance based on the recommendations of the CSC, directed that the Galleria site be included as a permitted location, and that the taxation level or developer agreement fee rate be set at 5%. Additionally, Council asked staff to return with maps that identified

the storefront siting parameters recommended by the CSC, and additional options that would include buffers for alcohol sales sites and “safe routes to schools” pathways.

Staff returned with the maps for Council discussion at the January 18, 2022 meeting. At the meeting, City Council reviewed the potential buffer maps, and decided to move forward with the CSC recommended map and have the Planning Commission review the residential buffering options. Additionally, Council directed that the Planning Commission review the draft ordinances and that staff conduct a community outreach process to gather further input.

The draft ordinances were prepared by the Community Development Department and the City Attorney’s Office and presented to the Planning Commission on March 3, 2022, at a public hearing. After much deliberation, the Planning Commission recommended the City Council approve the draft ordinances, with 23 specific recommendations, which are included in the attached resolution (see Section 6).

Separately, a community survey was issued to the public regarding potential cannabis regulations. The survey was opened on Thursday, April 21, 2022 and made available for two weeks through May 5, 2022. The results of the survey will be provided for discussion at the meeting, via Blue Folder.

One of the Planning Commission recommendations is to engage an industry-expert consultant to review the ordinance in its entirety and assist in the development of the business permit solicitation and selection process. To help consider this recommendation, staff contacted HdL, a firm that has expertise in preparing and reviewing cannabis regulations and related procedures for numerous cities, to determine the cost and scope of possible support services. HdL personnel agreed to prepare a proposal for the City for services related to the following: 1) reviewing and providing input on the City’s draft ordinance, 2) preparing a separate tax ballot measure for the City, 3) establishing a solicitation and selection process for cannabis business permits, and 4) other related services. The proposal will be provided for discussion at the meeting, via Blue Folder.

This item provides the City Council an opportunity to review the draft ordinances, consider the recommendations made by the Planning Commission, receive input from the community through a review of the community survey results and additional comments provided by the public at the meeting, evaluate the merits of hiring a consultant to help finalize the City’s ordinance and assist with follow-up cannabis tax and permit activities, and provide direction to staff on next steps.

### **BACKGROUND**

California’s history of cannabis law spans nearly 25 years of propositions and regulatory actions (see attached). More recently, the Medical Marijuana Regulation and Safety Act (MMRSA) that took effect January 1, 2016 regulated the use of marijuana for medical purposes. The City of Redondo Beach adopted Ordinance 3152 which promulgated local regulations in accordance with MMRSA, effective May 5, 2016.

On November 8, 2016, Proposition 64 was adopted by CA voters, titled the Adult Use of Marijuana Act (AUMA). The AUMA regulates the use of marijuana for personal and commercial purposes, including the recreational use of marijuana by adults over 21 years of age, thus expanding the permissions provided by MMRSA. The AUMA permits cities to “reasonably regulate” without completely prohibiting cultivation of marijuana inside a private residence or inside an accessory structure to a private residence, within the limits allowed by the State for personal cultivation.

In Redondo Beach, 65% of the voters were in favor of Proposition 64. Although Proposition 64 represented the interest of whether to allow the Adult Use of Marijuana Act, it did not specify how an individual municipality would regulate the commercial aspects of marijuana sales. The State's commercial provisions of AUMA were to take effect on January 1, 2018, requiring a city to disallow commercial marijuana activities in order to ensure that local regulations are promulgated and local control maintained. If a local governing body did not enact such a commercial ban by January 1, 2018, a valid State license would be the only requirement to open and operate a commercial marijuana business in any commercial zone in that city. Therefore, out of caution, and until local regulations and interests could be analyzed, the City of Redondo Beach adopted ordinances to regulate the personal use and cultivation of cannabis, as well as restrict commercial cannabis activities in the City of Redondo Beach. This was an interim measure to prohibit cannabis businesses until the City could better evaluate what types of businesses and regulations to put in place.

One of the prior objectives included in the City Council's adopted Strategic Plan included the previous City Manager's appointment of a Cannabis Steering Committee (CSC) comprised of law enforcement, RBUSD, BCHD, and outside interest groups to review best practices for commercial use regulations of cannabis, including storefront siting, taxation, delivery, and development agreement options, and to prepare a report for Planning Commission and City Council consideration. Members of the Redondo Beach Police Department, Fire Department, Community Development Department, and the City Treasurer's Office met jointly in support of the work of the CSC.

The CSC met a total of 12 times from November 2018 through October 2021, with their final recommendations presented to City Council on October 5, 2021. After discussion of the CSC's work and recommendations, City Council directed staff to draft an ordinance based on the recommendations of the CSC for regulating cannabis licenses in Redondo Beach. Additionally, the Council directed that the Galleria site be included as a permitted location and the taxation or ultimate development agreement fee rate be set at 5%. The Council also directed staff to prepare maps with the siting parameters recommended by the CSC, and that the maps include buffers for alcohol sales sites and safe routes to schools.

The Council asked that the ordinance, maps, and commercial licensee selection process, once drafted, be reviewed by the Planning Commission for recommendations to the City Council and that a community outreach process also be conducted.

The draft ordinances were prepared by the Community Development Department and City Attorney's Office, and were reviewed by the Planning Commission for recommendation to City Council. The key provisions incorporated in the draft ordinances, including the recommendations from the CSC that City Council agreed to, are as follows:

- **Personal Cultivation.** Continue to allow for outdoor personal cultivation as currently regulated for a maximum of 6 plants allowed indoors and in yard area if secured and not visible from surrounding sites.
- **Allow Licensed Activity.** Permit licensed cannabis businesses with recommended restrictions (see remaining items in the list below).
- **License Types.** Allow only storefront retailer licenses (Type 10) and non-storefront retailer delivery licenses (Type 9) or a combination of the two on one site. Prohibit delivery services

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that originate from other cities if a non-storefront delivery license is issued in Redondo Beach.

- **Zoning Provisions.** Limit cannabis license sites to commercial and industrial zones. Prohibit licenses in coastal commercial, residential, and public/institutional zones. (CSC had initially recommended prohibiting in regional commercial zone where Galleria is located, but City Council directed staff to add that as an acceptable zone). Require discretionary Conditional Use Permit (CUP) approval.
- **Buffers.** Maintain a 600-foot radius from elementary schools, day cares, and youth centers (per State's mandate). Increase the buffer zone to a 1500-foot radius from high schools and middle schools. School buffers to include private schools. City Council requested that Planning Commission consider implications of buffer around residential (see Planning Commission recommendations noted below).
- **Number and Location of Licenses.** Allow up to two (2) sites within the City, with a maximum of one site per district. Establish a 1000-foot buffer between cannabis licensed sites.
- **Hours of Operation.** The State allows retail activities between the hours of 6 a.m. and 10 p.m. Local jurisdictions can be more restrictive. Limit hours to the following:
  - Storefront Retail Sales - 9 a.m. to 10 p.m.
  - Non-storefront Delivery - 6 a.m. to 10 p.m.
- **Security.** In addition to State security requirements, include the following security measures:
  - All security personnel to be vetted through the Redondo Beach Police Department (RBPD) or a certified 3rd party.
  - Regarding surveillance, the licensee must provide real time direct access to all surveillance.
  - Alarm systems to be set to send real time immediate messages to RBPD.
  - Regarding safety, requirements to better define "secure storage of cannabis and cannabis products" as well as onsite revenue.
  - The licensee to provide measures to ensure a minor doesn't enter, requiring ID checks and providing appropriate signage.
  - For delivery, licensee to provide a signature for receipt and that those records be maintained on file for auditing purposes.
- **Enforcement.** The CSC recommends the City implement the Cannabis Compliance and Enforcement Program. The Los Angeles County Department of Public Health has created a relatively new program entitled the Cannabis Compliance and Enforcement Program, where the County contracts with cities that allow for cannabis activities. The program aims to further protect public health but has the additional benefit of being an effective enforcement tool against illegal operators who are unable to apply for the permit and subsequently violate Public Health Department Codes.
- **Tax or Fees.** Establish a Developer Agreement with developer fees and consider sunsetting it with an eventual tax measure.
- **Tax or Fee Rate.** Set fee at 5%. (CSC had initially recommended reviewing neighboring jurisdictions, which the City Council did and selected 5%).
- **Tax or Fee Revenue Location.** General Fund.
- **Property Requirement.** Do not require applicant to secure property prior to the application process.
- **Selection Process.** City Council to determine the licensee solicitation and selection process at a future date separate from the Ordinance. This may come back to Planning Commission for input if City Council continues with that direction.

- **Transfer of Ownership.** Limit transferability of a developer agreement and/or license for a set period of time.
- **Adoption of Regulations.** Adopt ordinances to effectuate decisions.

On March 3, 2022, the Planning Commission considered the draft ordinances at a public hearing. After much deliberation, the Planning Commission recommended the draft ordinances, with 23 specific recommendations included in their resolution (attached - see Section 6) for City Council to consider when reviewing the ordinances. Those recommendations are as follows:

1. Correct numbering and reference in 10-2 and 10-5.1626(c)(2) references the “prohibitions of subsection (a)”. That should reference subsection (c)(1) immediately above it. ***[This has been addressed in the draft ordinances attached]***
2. Add definitions for the following terms:
  - a. Hearing Officer ***[This definition was added in the draft ordinances attached]***
  - b. Tax Administrator ***[This was corrected to say “Finance Director”]***
  - c. Finance Director ***[This seemed straightforward without needing to be defined, since this is a designated position within the City of Redondo Beach]***
  - d. Permit Administrator ***[This definition was added in the draft ordinances attached]***
  - e. Premises ***[This definition was added in the draft ordinances attached]***
3. Correct discrepancy between calendar days referenced in 6-2.16(b)(3) and (b)(4) so that materials would not have to be submitted in advance of the appeal itself. ***[This has been addressed in the draft ordinances attached]***
4. In 6-2.05(c)(14) add clarification that employees would be permitted to consume food on site not in the customer area. ***[This has been addressed in the draft ordinances attached]***
5. By limiting to two licenses, it is a duopoly. Under Subsection 6-2.06 remove the reference to the “...minimum period of three (3) years from the start of operation.” And remove the language, “Permittee may only transfer ownership after the initial period of time and with prior discretionary approval of the City Council. Before approving any such request, City may require the purchaser, assignee, or transferee to provide the same information and materials that are required of an initial applicant, including the payment of associated fees.”
6. Require a Conditional Use Permit condition that authorizes that CUP only while there is an operator that has a commercial cannabis retailer permit per Title 6.
7. Consider engaging a thoroughly vetted and referenced consultant with experience evaluating the cannabis industry to evaluate the ordinance in its entirety. ***[City staff have reached out to HdL, who will provide a quote for services at the meeting, as explained above]***
8. Institute a mechanism to vet all owners. Specifically, if a certain percentage is proposed to be assigned to new owners or partners, permittee is to notify the City and must obtain prior City Council approval. A restriction should be added to prohibit a permittee to be a C Corporation.

9. Prohibit the two permits from having the same or common ownership.
10. Require that the developer agreement set a timeframe from when a permit is issued to when it is required to be in operation.
11. Revise 6-2.02 to read, "No person may operate a commercial cannabis business or engage in commercial cannabis activity within the City of Redondo Beach including cultivation, processing, manufacturing, testing, sale, delivery, distribution, or transportation of cannabis or a cannabis product unless the person (1) has a valid commercial cannabis retailer permit from the City of Redondo Beach; (2) has any and all valid state or local permits; and (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis business and the commercial cannabis activity, including holding the necessary state licenses to engage in commercial cannabis activity." Where the language is specifying that only a cannabis retailer permit allowed.  
***[This has been addressed in the draft ordinances attached]***
12. Require in the developer agreement that the permittee have a community relations contact available to businesses and residents within 600' of the site and quarterly meetings required between community relations contact and City Manager for first year and at request of City Manager thereafter.
13. Revise Section 6-2.05(c)(5) to address and not inadvertently prohibit delivery. The language currently states, "All commercial cannabis business shall be operated within the specific part of the premises specified in the Development Agreement and/or conditional use permit. No commercial cannabis activities shall take place in an area exceeding the square footage authorized in the controlling Development Agreement, conditional use permit, or the licensee's license; whichever is most restrictive."
14. Developer agreement should restrict permitted local cannabis retail businesses from advertising on billboards in the City of Redondo Beach.
15. If there is no requirement under the law for personal information to be collected for cannabis retail storefront licensees, prohibit the business from requiring that the personal information be collected in order to be a customer.
16. Concern with real time surveillance being an invasion of privacy. Return the video surveillance requirements to be limited to the State requirements, police not surveilling the cannabis site, or if police have surveillance access, not recording it. If police have recordings of surveillance at the discretion of the permittee, should delete surveillance recordings within 90 days unless part of an active investigation.
17. Regarding buffering residential zones:
  - a. Prohibit entrances and exits and driveways associated with cannabis retailers on streets where adjacent to residential zone where residential shares that road within the same block.

18. Add restriction that no more than cannabis retail site per street.
19. Consider requiring a bond for liability.
20. Consider requiring in the development agreement an audit of operations in addition to the financial auditing requirement to be paid for by the permittee.
21. Recommend that Council add supplemental appearance requirements per 6-2.05(c)(9) in the development agreement.
22. Remove the CR zone that includes the Galleria site as an allowed zone for cannabis retailer permits.
23. Considering that Beach Cities Transit Route 102 is a main bus line for Redondo Beach High School students to take to school, with two bus stops on Artesia Boulevard between Ridge Lane and Hawthorne Boulevard, recommend removing the commercial sites along Artesia Boulevard between Ridge Lane and Hawthorne Boulevard from consideration for cannabis retailer permits.

Some of the minor recommendations regarding editing/numbering cleanup have been addressed in the draft ordinances attached to this Administrative Report and are noted above in brackets under the description of those particular minor recommendations. However, there are several substantive recommendations that the City Council may want to discuss and consider incorporating into the ordinance.

In addition to the Planning Commission recommendations, in response to City Council direction at the January 18<sup>th</sup> meeting, a community survey was issued regarding potential regulations regarding cannabis. The survey was opened on Thursday, April 21, 2022 and made available to the public for two weeks (through May 5, 2022). The results of the survey will be made available at the meeting, via Blue Folder, for consideration and discussion.

In anticipation of the discussion on Planning Commission recommendation #7, staff initiated discussions with HdL., a firm that has expertise in preparing and reviewing cannabis regulations and related procedures. HdL is developing a proposal for services related to 1) reviewing the City's draft ordinance, 2) preparing a separate tax ballot measure, 3) establishing a business permit solicitation and selection process, and 4) other related services. With most of these services, (the exception being the preparation of a cannabis tax ballot measure), the City is expected to be able to recover costs for the consulting work through future permit fees. The proposal from HdL is in development and will be made available for discussion at the meeting, via Blue Folder.

### **COORDINATION**

This agenda item was prepared by the Community Development Department in coordination with the City Manager's Office and the City Attorney's Office. The draft ordinances were prepared by the City Attorney's Office and the Community Development Department.

### **FISCAL IMPACT**

The fiscal impact to the City for regulating cannabis sales and delivery in Redondo Beach is unknown at this point. There are many variables to consider including 1) the number and types of licenses to

be approved, 2) the volume of business and sales from future local cannabis operations, 3) the specific franchise fee or tax rate charged for cannabis sales in Redondo Beach, 4) the amount of staff time allocated to regulatory and enforcement activities, and 5) the potential for legal challenge to the City's licensing activities.

Notwithstanding the above variables, staff's initial estimate is that each licensed site in Redondo Beach could provide \$500,000 to \$1,000,000 in additional annual General Fund revenue, provided the City moves forward with the adoption of a regulatory ordinance and the proposed tax and/or developer agreement fees.

The preparation of the ordinances, staff report, and community input survey are within the workplan and annual budgets of the Community Development Department, City Manager's Office, and the City Attorney's Office.

**APPROVED BY:**

*Mike Witzansky, City Manager*

**ATTACHMENTS**

- Draft Ordinance Amending Title 6 (businesses, professions, and trades)
- Draft Ordinance Amending Title 10 Chapter 2 (inland zoning)
- Draft Ordinance Amending Title 10 Chapter 5 (coastal zoning)
- Planning Commission Resolution on Cannabis Code Amendments 2022-03-03
- Cannabis Map Final Buffers 2022-01-12
- City Council Administrative Report on Cannabis Steering Committee Update 2021-10-05
- City Council Presentation on Cannabis Steering Committee Update 2022-10-05
- Summary of Cannabis Laws and Updates



DISCUSSION AND POSSIBLE ACTION REGARDING DRAFT ORDINANCES AMENDING TITLE 6 BUSINESSES, PROFESSIONS, AND TRADES, TITLE 10, CHAPTER 2, ZONING AND LAND USE AND TITLE 10, CHAPTER 5 COASTAL LAND USE PERTAINING TO CANNABIS REGULATIONS AND RECOMMENDING THAT THE CITY COUNCIL ADOPT CATEGORICAL EXEMPTIONS FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE AMENDMENTS

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REDONDO BEACH CITY COUNCIL MEETING

MAY 10, 2022

AGENDA ITEM N.2.

# Cannabis Regulatory Background

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## **California's Cannabis Law**

- Medical Marijuana Regulation and Safety Act - Effective January 1, 2016
- Proposition 64 for Adult Use of Marijuana Act - Approved November 8, 2016

## **City of Redondo Beach Actions**

- Adopted ordinance initially to address Medical Marijuana Regulations
- Adopted ordinance to address Adult Use – interim measure
- Strategic Planning Objective 2018 for Cannabis Steering Committee
- Cannabis Steering Committee recommendations presented – October 5, 2021
- Council direction on ordinance preparation – January 18, 2022
- Current Strategic Planning Objective – finalize cannabis ordinance by July 1, 2022
- Planning Commission review of ordinances – March 3, 2022
- Community Survey April/May 2022
- Discussion on draft ordinances – May 10, 2022

# Cannabis Ordinances – Draft Provisions

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**Personal Cultivation.** Continue to allow outdoor personal cultivation.

**License Types.** Storefront retail (Type 10), non-storefront delivery (Type 9) or a combination.

## **Zoning Provisions.**

- Commercial and industrial zones.
- Prohibit licenses in coastal commercial, residential, and public/institutional zones.
- Require discretionary Conditional Use Permit (CUP) approval.

## **Buffers.**

- 600-foot radius from elementary schools, day cares, and youth centers (per State’s mandate).
- 1500-foot radius from high schools and middle schools.

## **Number and Location of Licenses.**

- Two (2) sites total within the City, with a maximum of one site per district.
- 1000-foot buffer between cannabis licensed sites.

# Cannabis Ordinances – Draft Provisions (continued)

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## **Hours of Operation.**

- Storefront Retail Sales - 9 a.m. to 10 p.m.
- Non-storefront Delivery - 6 a.m. to 10 p.m.

## **Security & Enforcement.**

- In addition to State security requirements, City added additional security measures.
- Implement County's Cannabis Compliance and Enforcement Program.

## **Tax or Fees.**

- Developer Agreement with developer fees, sunset with tax measure.
- Set fee at 5% - revenues to go into General Fund.

**Property Requirement.** Do not require applicant to secure property prior to application.

**Selection Process.** Council to decide solicitation/selection process separate from Ordinance.

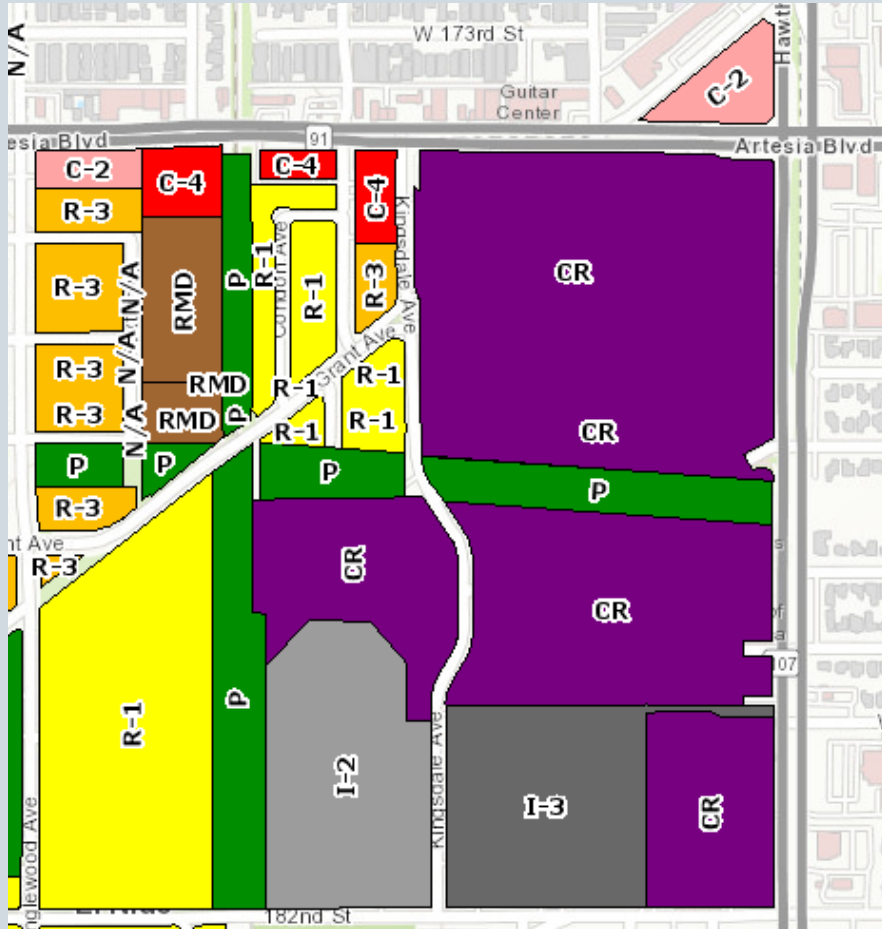
**Transfer of Ownership.** Limit transferability developer agreement/license for a set period of time.

# Cannabis Ordinances – Planning Commission Recommendations

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- Regarding limiting transferring ownership, under Subsection 6-2.06 remove reference to 3 years from start of operation, as well as transfer of ownership language.
- Limit CUPs with a condition that the CUP is only permitted while there is an operator that has a commercial cannabis retailer permit.
- Prohibit the two permits from having the same or common ownership.
- Revise Section 6-2.05(c)(5) to address and not inadvertently prohibit delivery.
- Concern with real time surveillance being an invasion of privacy. Return the video surveillance requirements to be limited to the State requirements, so police are not surveilling the cannabis site.
- Regarding buffering residential zones, prohibit entrances and exits and driveways associated with cannabis retailers on streets where adjacent to residential zone where residential shares that road within the same block.

# Cannabis Ordinances – Planning Commission Recommendations (continued)

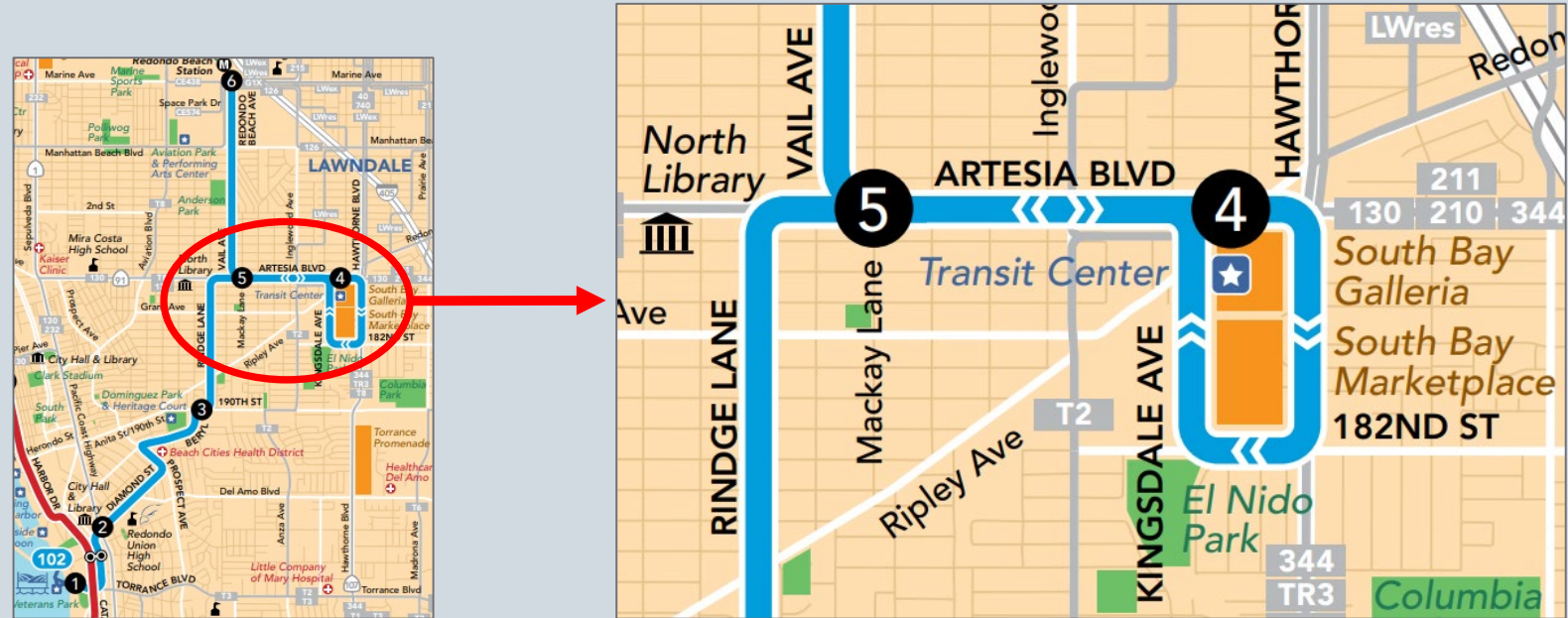


- Add restriction that no more than cannabis retail site per street.
- Recommend that Council add supplemental appearance requirements per 6-2.05(c)(9) in the development agreement.
- Remove the CR zone that includes the Galleria site as an allowed zone for cannabis retailer permits.

# Cannabis Ordinances – Planning Commission Recommendations (continued)

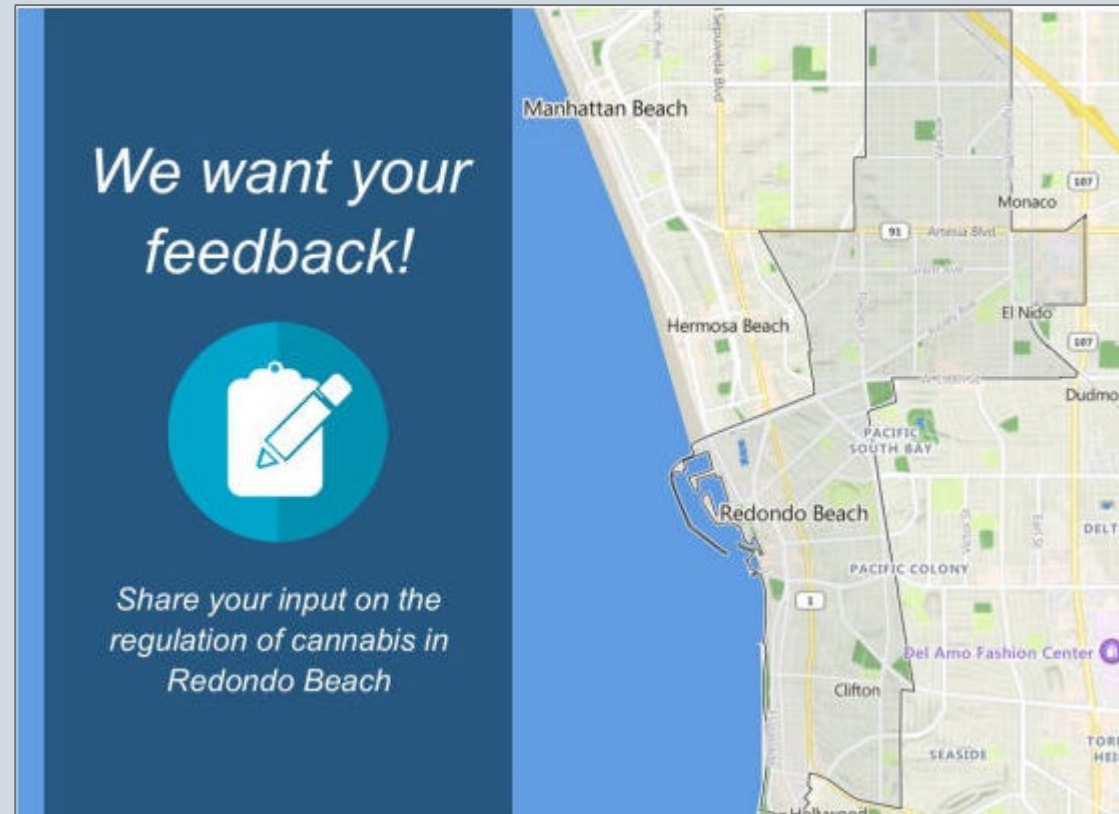
- Recommend removing the commercial sites along Artesia Boulevard between Rindge Lane and Hawthorne Boulevard from consideration for cannabis retailer permits.

BCT Route 102



# Cannabis Ordinances – Community Survey Results

- City released a Community Survey regarding cannabis regulation on April 21, open for two (2) weeks
- 173 responses total
- Community was fairly evenly split on broader regulation options such as number and location of licenses
- Community leaned toward certain preferences on questions related to Planning Commission recommendations



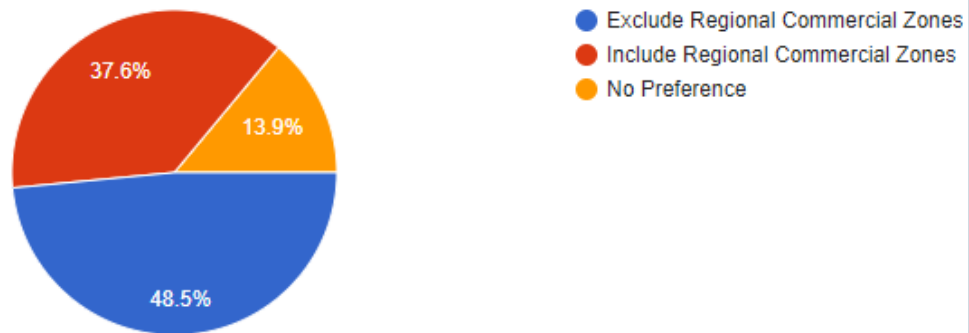


# Cannabis Ordinances – Community Survey Results

## Survey Questions Pertaining to Planning Commission Recommendations

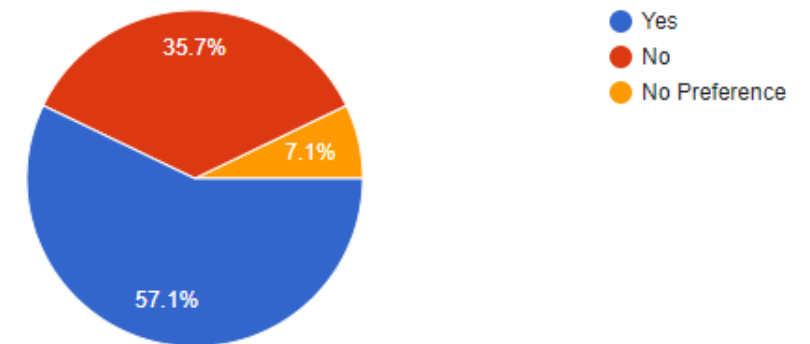
Pertaining to which Zoning Provisions, the Draft Cannabis Ordinance limits cannabis license sites to commercial and industrial zones. It specifically prohibits licenses in coastal commercial, residential, and public/institutional zones. The Planning Commission recommended the prohibition of licenses within Regional Commercial zones, which include the South Bay Galleria and waterfront areas. The City Council recommended the inclusion of Regional Commercial Zones. Which policy would you like to see the City move forward with?

165 responses



Considering that Beach Cities Transit Route 102 is a main bus line for Redondo Beach High School students to take to school, with two bus stops on Artesia Boulevard between Ridge Lane and Hawthorne Boulevard, the Planning Commission recommended removing the commercial sites along Artesia Boulevard between Ridge Lane and Hawthorne Boulevard from consideration for cannabis retailer licenses. Should the vicinity around those two bus stops be omitted?

168 responses



# Cannabis Ordinances – Possible Consultant Services

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**Planning Commission Recommendation:** “Consider engaging a thoroughly vetted and referenced consultant with experience evaluating the cannabis industry to evaluate the ordinance in its entirety.”

## **Potential Consultant Services:**

- Review of cannabis ordinances
- Preparation of tax ordinance/initiative
- Comparatively analyze ordinances and the separate initiative
- Develop solicitation and selection procedures
- Incorporate cost recovery in process to fund the potential services

**HdL Companies Contract Could Be Expanded for Cannabis Services**

# Recommendation

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## City Council discussion on ordinances and direction to staff:

- Direction on finalizing ordinances, incorporating any modifications
- Direction on engaging HdL on various services, including:
  - Review of cannabis ordinances
  - Preparation of tax ordinance
  - Comparatively analyzing ordinances and the initiative
  - Creating solicitation and selection procedures
  - Incorporating cost
- Determination on timing for a tax initiative

**RESOLUTION NO. 2022-03-PCR-02**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF REDONDO BEACH, CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL ADOPT ORDINANCES AMENDING TITLE 6 BUSINESSES, PROFESSIONS, AND TRADES, TITLE 10, CHAPTER 2, ZONING AND LAND USE AND TITLE 10, CHAPTER 5 COASTAL LAND USE PLAN IMPLEMENTING ORDINANCE PERTAINING TO CANNABIS REGULATIONS AND RECOMMENDING THAT THE CITY COUNCIL ADOPT CATEGORICAL EXEMPTIONS FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE AMENDMENTS**

WHEREAS, on November 8<sup>th</sup>, 2016 Proposition 64 known as the Adult Use of Marijuana Act (AUMA) was approved by state voters, and regulates the use of marijuana for personal and commercial purposes, including recreational use of marijuana by adults over 21 years of age;

WHEREAS, AUMA stipulates that if a City did not enact local commercial licensing restrictions by January 1<sup>st</sup>, 2018, a valid state license would be the only requirement to operate a commercial marijuana business in any commercial zone in the City;

WHEREAS, on December 7<sup>th</sup>, 2017, the City Council adopted Ordinance Nos. 3177 and 3178 to regulate the personal use and cultivation of cannabis and restrict commercial cannabis activities until local regulations and interests could be analyzed and identified for implementation;

WHEREAS, in order to analyze and identify cannabis regulations appropriate for Redondo Beach, in 2018 a Steering Committee was appointed by the City Manager comprised of representatives from the law enforcement community, Redondo Beach Unified School District (RBUSD), Beach Cities Health District (BCHD), and other outside interest groups familiar with common best practices for commercial cannabis regulations including storefront siting, taxation, delivery, and development agreement options;

WHEREAS, the Steering Committee met multiple times over several years and presented their work and recommendations to the City Council on October 5<sup>th</sup>, 2021, at which time the City Council directed staff to prepare draft code amendments;

WHEREAS, on January 18<sup>th</sup>, 2022 the City Council discussed the draft code amendments for cannabis licensing and proposed storefront siting parameters, at which time they provided additional direction and requested that the draft amendments be presented to the Planning Commission;

WHEREAS, the Planning Commission held a duly noticed public hearing, took public testimony, and considered the draft amendments on the 3<sup>rd</sup> day of March, 2022.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY FIND AS FOLLOWS:

#### SECTION 1. FINDINGS

1. In compliance with the California Environmental Quality Act of 1970, as amended (CEQA), and State and local guidelines adopted pursuant thereto, the zoning amendments qualify for CEQA exemption under Section 15060(c)(2) because the activity will not result in direct or reasonable foreseeable physical change in the environment and Section 15060(c)(3) as the activity is not a considered a project under CEQA Section 15378.
2. The amendments to the Zoning Ordinance are consistent with the General Plan.
3. The amendments to the Coastal Land Use Plan Implementing Ordinance are consistent with the City's Local Coastal Plan (LCP).
4. These amendments do not require a vote of the people under Article XXVII of the City Charter.

SECTION 2. The above recitals are true and correct, and the recitals are incorporated herein by reference as if set forth in full.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. AMENDMENT TO CODE. The Planning Commission recommends that Title 6 Businesses, Professions, and Trades of the Redondo Beach Municipal Code be amended as follows:

#### **Add Chapter 6 COMMERCIAL CANNABIS ACTIVITY**

##### **6-2.00 Commercial Cannabis Retailer Permit Regulations.**

**6-2-01 Definitions.** The technical terms and phrases used in this Chapter are defined in Redondo Beach Municipal Code Section **10-2.1626 (see RBMC Chapter 10-2.1626 Marijuana Regulations).**

**6-2.02 Commercial cannabis permit required to engage in commercial cannabis activity.** No person may operate a commercial cannabis business or engage in commercial cannabis activity within the City of Redondo Beach including cultivation, processing, manufacturing, testing, sale, delivery, distribution, or transportation of cannabis or a cannabis product unless the person (1) has a valid commercial cannabis permit from the City of Redondo Beach; (2) has any and all valid state or local permits;

and (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis business and the commercial cannabis activity, including holding the necessary state licenses to engage in commercial cannabis activity.

### **6-2.03 Application Procedure.**

(a) The city may, in its sole discretion, approve and direct the issuance of a notice inviting applications, a request for applications, or similar solicitation inviting persons interested in operating commercial cannabis activities in the city to submit an application for a Development Agreement.

(b) Whether to issue a solicitation for applications, the manner of accepting applications, the manner of application review, and whether to approve or deny any such application shall be subject to the sole and absolute discretion of the City Council. The criteria utilized in evaluating or scoring any application for a Development Agreement shall be that specified in this ordinance, elsewhere in the Redondo Beach Municipal Code, or in the solicitation for applications issued by the City Council. Subject to the discretion of the City Council, the solicitation may include provisions pertaining to: the information required to be submitted by applicants, including but not limited to the application information specified in the regulations for a license from the Department. the city's application review, vetting, and approval processes; the review and scoring criteria that will be utilized by the city in distinguishing among applicants; applicant background checks and verification requirements; conditions of approval; security features and requirements; operating guidelines, standards, limitations, and requirements; site improvement obligations; maintenance requirements; book, accounting, and record keeping requirements; and/or a draft Development Agreement.

(c) A Development Agreement approved by the City Council is required before any person operates a retailer site in the city. Said Development Agreement shall set forth the terms and conditions under which the commercial cannabis activities may be undertaken, in addition to the terms and conditions otherwise set forth in this ordinance. Subject to the agreement of any state Permittee and approval of the City Council , such additional terms and conditions of the Development Agreement may include, but are not limited to, public outreach and education requirements, community service requirements, the payment of mutually agreeable fees and charges, development and operating plans (including site plan, floor plan, and elevations), security measures, operating standards and procedures, site location and design standards, and such other terms and conditions as may be agreed upon by a Permittee and the City Council , as well as those that the City Council deems necessary to protect and promote the public health, safety, and welfare of the community.

(d) In addition to a Development Agreement, no person shall operate a retail site until a conditional use permit has been approved by the planning commission or City Council. The application process for the conditional use permit shall be the same as is generally applicable to conditional use permits in the city, provided that a

Development Agreement between the Permittee and the city shall be a condition precedent to approving a conditional use permit.

(e) Nothing in this ordinance is intended or shall be construed as requiring the City Council to approve any Development Agreement(s) or to otherwise allow commercial cannabis activities in the city. No application for a Development Agreement will be accepted except during the times specified by the City Council in a solicitation for applications. The City Council's solicitation for, review of, and approval of any application for a Development Agreement is discretionary, and nothing in this ordinance is intended or shall be interpreted as rendering commercial cannabis activities a "by-right" land use in the city.

#### **6-2.04 Fees and Charges.**

(a) Each applicant or Permittee shall timely and fully pay all fees set forth in this ordinance. Failure of an applicant to pay the requisite fees is grounds for denial, and the failure of a Permittee to pay the requisite fees shall constitute a breach of the Development Agreement, and is grounds for revocation of the conditional use permit. Except as otherwise provided herein, the amount of each fee shall be established by resolution of the City Council.

(1) Application fee to cover the city's costs incurred in the initial acceptance and review of an application for a Development Agreement, due and payable in full at the time an application is submitted.

(2) Processing fee(s) to cover the costs incurred in the review, investigation, scoring, and/or selection of an applicant for the award of a Development Agreement shall be due and payable in full at the time an application is submitted. The city may charge a separate processing fee for each round of the application review and selection process. Such Agreement shall be granted in accordance with evaluation criteria specified by the City Council in a notice inviting applications, a request for proposal ("RFP"), or similar solicitation

(b) In addition to the fees specified in subsection (a), applicants and Permittees shall timely pay all other applicable fees, including, but not limited to, fees associated with processing applications for conditional use permits, Development Agreements, building permits, and plan checks, as well as the city's cost of preparing a Development Agreement.

(c) In addition to the fees set forth in this ordinance, a Development Agreement entered into pursuant to this ordinance may provide for a Permittee to pay the city a fair share contribution towards the city's costs incurred. Such costs may include, without limitation, enforcing the provisions of this ordinance, inspecting for and remediating any direct or secondary negative impacts of the commercial cannabis activities, and mitigating impacts to the city's existing public facilities caused by the commercial cannabis facility. If applicable, the remediation payments described in this ordinance

shall be memorialized in a Development Agreement, and paid by a Permittee to the city in strict accordance with the terms thereof.

**6-2.05 Development Agreement and Operating Standards.**

(a) Permittees, and the premises upon which commercial cannabis activities are operated, shall strictly comply with this ordinance, the Development Agreement, the conditional use permit, the Act, and anything else required by the Department or the State licensing authority. To the extent of a conflict among any of the foregoing, the more restrictive provision shall control unless a different intent is clear from context.

(b) A fee of no more than 5% of gross receipts may be required in the Development Agreement. This fee is to sunset upon the establishment of a local commercial cannabis tax.

(c) All premises where commercial cannabis activities are operated shall comply with the following minimum development and operating standards:

(1) Commercial cannabis activities shall occur in a fully enclosed and permanent building, as described in this ordinance.

(2) Persons under the age of twenty-one (21) shall be prohibited from the premises at all times, other than as lawful customers permitted under State law in the case of Medicinal cannabis retailers. If such retail establishment sells Medicinal cannabis, persons under the age of twenty-one (21) and over the age of eighteen (18) shall be permitted to enter the establishment only after verification that they possess a valid Medical Marijuana ID card.

(3) A premises shall notify patrons of the following through the posting of a sign outside the premises posted in a conspicuous location near the entrance of the building.:

(a) That loitering on and around the premises is prohibited by California Penal Code § 647(e).

(b) That patrons must immediately leave the site upon concluding the reason for their visit, and may not consume cannabis or cannabis products on the premises.

(c) That patrons may be subject to prosecution under federal law.

(d) That the use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate machinery.

(4) Permittees shall provide the name and phone number of an on-site staff person who shall be responsible for notification of any operational problems or emergencies associated with the premises or the operation thereof to the Police Department and City Manager.



(5) All commercial cannabis business shall be operated within the specific part of the premises specified in the Development Agreement and/or conditional use permit. No commercial cannabis activities shall take place in an area exceeding the square footage authorized in the controlling Development Agreement, conditional use permit, or the licensee's license; whichever is most restrictive.

(6) All exterior windows, doors, loading and unloading docks or bays, and any points of ingress or egress to the premises where the commercial cannabis business will be operated, shall be secured from unauthorized entry by commercial grade, nonresidential locks, and in a manner specifically approved by the Police Department. The exterior of each of the foregoing areas shall be illuminated during twilight hours.

(7) The ingress and egress points of any storage areas for cannabis or cannabis products shall be locked and secured at all times, and shall be under the control of and accessible only to Permittee's authorized personnel as disclosed to the City.

(8) Each Permittee shall implement a track-and-trace system, compliant with the Act, to record the chain of supply of cannabis or cannabis products from "seed-to-sale."

(9) The exterior appearance of the premises, including but not limited to the design, color, landscaping, screening, architectural treatments, signage, and other such aesthetic features of the premises shall comply with the standards applicable to the underlying zoning district, as may be modified or supplemented through the Development Agreement and/or conditional use permit. Except as modified herein, or in a Development Agreement or conditional use permit, the premises shall comply with the development standards applicable to the underlying zoning district.

(10) Development Agreement

(10) All exterior signage on the premises shall comply with city standards, the Development Agreement and/or conditional use permit. Should these provisions conflict, the terms of the Development Agreement shall control.

(12) The exterior of the premises shall comply with the city's generally applicable lighting standards including, without limitation, fixture type, wattage, illumination levels, shielding; and associated approvals and permits.

(13) All waste generated by or resulting from commercial cannabis activities shall be disposed of as required by law. and Pending disposal such waste shall be stored in a locked and secure area that is under the control of and accessible only to Permittee's authorized personnel.

(14) On-site sales of alcohol or tobacco products, and consumption of food, alcohol, tobacco, cannabis, or cannabis products on the premises is **strictly prohibited**.

(15) The premises shall provide an odor absorbing ventilation and exhaust system so that odor generated inside the structure where commercial cannabis activities are taking place cannot be detected outside the structure, anywhere on adjacent property, public rights-of-way, or within any other unit or structure on the premises where commercial cannabis activities are not taking place.

(16) Be provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose.

(17) Whether or not Applicants have obtained a property for the purposes of their commercial cannabis business prior to their selection, shall have no bearing on their selection.

(18) The Permit Administrator shall have the power and authority to promulgate rules, regulations, and requirements consistent with the provisions of this chapter and other law in connection with the issuance of a registration certificate. The Permit Administrator may designate an employee of his or her department to make decisions and investigate and take action under this chapter.

#### **6-2.06 No transfer or change in ownership of location.**

(a) Permittees may not sell, transfer, pledge, assign, grant an option, or otherwise dispose of, in whole or in part, their rights under or interest in a Development Agreement. It is strictly prohibited for any Owner to sell, transfer, pledge, assign, grant an option, or otherwise dispose of, in whole or in part, their ownership interest in the licensed cannabis business for a minimum period of three (3) years from the start of operation. No Permittee may allow for a separate entity to manage or operate their business or act as their agent in their place. Permittee may only transfer ownership after the initial period of time and with prior discretionary approval of the City Council. Before approving any such request, City may require the purchaser, assignee, or transferee to provide the same information and materials that are required of an initial applicant, including the payment of associated fees.

(b) Before exercising any rights under a Development Agreement, Permittees shall demonstrate proof of lawful possession of the premises where commercial cannabis activities are proposed to take place. Such evidence shall consist of properly executed deeds of trust, leases, licenses, or similar documents evidencing the Permittee's right to possession and use of the premises. Subject to the criteria specified by the City Council in its solicitation for applications, a Development Agreement shall be awarded contingent upon an applicant's subsequent identification of a premises that is acceptable to the City; or, subject to an applicant's provision of an option, letter of intent, or similar instrument executed by the current owner of the proposed premises in

favor of a Permittee or applicant, authorizing commercial cannabis activities to be operated therein.

(c) Commercial cannabis activities may only take place within the area, building, structure, and portion of the premises that is specifically described in Development Agreement and/or conditional use permit. A Permittee shall not relocate, move, or otherwise alter the location of its operations from the specific area so identified without obtaining prior approval from the City; regardless of any possessory interest or right to possession to such additional areas. No Permittee shall add additional or contiguous units or areas, thereby altering the initially approved premises, without prior approval of the City Council.

(d) Permittee shall not sublet, transfer, or otherwise assign any portion of any approved premises for any purpose, unless the City Council grants prior approval of such amendment.

(e) Permittee shall not make any physical change, alternation, or modification to the approved premises that, in the opinion or discretion of the building official, materially or substantively alters the location or usage of the premises from the plans approved in the Development Agreement and/or conditional use permit, without the advanced approval of the City Council. For purposes of this subsection, the phrase "materially or substantively alters" shall mean any physical change, alternation, or modification to the area of the premises identified in the Development Agreement or conditional use permit for the operation of commercial cannabis activities that either: (1) increases the capacity or scope of commercial cannabis activities by five percent (5%) or more; or (2) requires a building permit.

#### **6-2.07 Minimum Security Requirements.**

(a) Permittees shall comply with the security standards and requirements set forth in this ordinance, the Development Agreement, the conditional use permit, and the Act. If any of the foregoing are inconsistent, the most restrictive provision shall control unless a different intent is clear from context.

(b) Security Standards are as follows:

(1) Owner shall establish a security system that prevents individuals from remaining on the premises of the commercial cannabis business if they are not engaging in an activity directly related to the permitted operations of the commercial cannabis business and establishing limited access areas accessible only to authorized commercial cannabis business personnel.

(2) Panic buttons shall be installed in all commercial cannabis businesses.

(3) Sensors shall be installed to detect entry and exit from all secure areas.

(4) Each commercial cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access

doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

(5) All Security Personnel shall be vetted through and approved by the Police Department.

(c) All Premises where commercial cannabis activities are operated and their personnel shall comply with the following minimum security standards:

(1) Security Cameras.

a. Security cameras shall be installed and maintained on the premises in a good working condition, and shall be capable of producing digitally recorded documentation in a format approved by the Police Department.

b. All security cameras on the premises shall be in use twenty-four (24) hours per day, seven (7) days per week. Permittees are responsible for ensuring that all surveillance equipment is properly functioning and maintained so that the playback quality is suitable for viewing and the surveillance equipment is capturing the identity of all individuals and activities in the monitored areas.

c. All video surveillance equipment shall have sufficient battery backup to support a minimum of four (4) hours of recording in the event of a power outage.

d. The areas of the premises to be covered by the security cameras include, but are not limited to: (1) all storage areas for cannabis or cannabis products; (2) all areas where commercial cannabis activities are operated; (3) each location where weighing, packaging, transport, preparation, or tagging activities occur; (4) the interior and exterior of all points of ingress or egress to storage areas; (5) all doors and windows; (6) loading and unloading bays, the interior and exterior of all points of ingress or egress to the structure on the premises where commercial cannabis activities are operated, and (7) all points of ingress or egress to the premises.

e. Surveillance recording equipment must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees or local law enforcement agencies for appropriate purposes.

f. All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points.

g. At least one camera shall be dedicated to recording the access points to the secured surveillance recording area.

h. Permittees shall keep a current list of all authorized employees and personnel who have access to the surveillance system and/or room on the premises.

i. Permittees shall keep a surveillance equipment maintenance activity log to record all service activity, including the identity of the individual performing the service, the service date and time, and the reason for service. Such records shall be maintained on the premises and shall be made available to the city upon request.

j. The system shall be capable of recording all pre-determined surveillance areas in any lighting conditions.

k. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the requirements described in this ordinance, video monitors, digital archiving devices, a color printer, and the capability to produce still color photograph from any camera image, live or recorded. The date and time shall be embedded on all surveillance recordings without significantly obscuring the picture. The time on the surveillance video is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory.

l. Video surveillance systems must be equipped with a failure notification system that provides prompt notification of any prolonged surveillance interruption and/or the complete failure of the surveillance system to the Permittee and Police Department.

m. All surveillance recordings must be kept for a minimum of ninety (90) days and be in a format that can be easily accessed for viewing. Video recordings must be archived in a format that ensures authentication of the recording as a legitimately captured video, and ensures no alteration of the recorded image has taken place.

n. After the ninety-day (90) surveillance video retention period has lapsed, surveillance video recordings must be erased or destroyed prior to being discarded or disposed of for any other purposes. Surveillance video recordings may not be destroyed if the premises knows, or should have known of a pending criminal, civil, or administrative investigation, or any other proceedings for which the recording may contain relevant information.

o. Upon request, Permittees shall make available to the Police Department or local law enforcement agency, for law enforcement purposes, all information related to security alarm systems, recordings, monitoring, and/or system activity.

p. Permittees may utilize off-site monitoring and video recording storage, or an independent third-party service, to satisfy the requirements of this ordinance, provided the standards exercised at the remote location meet or exceed all standards for on-site monitoring set forth herein.

q. The cannabis business shall be responsible for ensuring that the security surveillance camera footage is compatible with the city's software and hardware and remotely accessible by the Chief of Police. Alarm systems shall send real time alerts directly to the Police Department.

(2) Alarm System.

a. The premises shall be equipped with a reliable, commercial alarm system that is operated and monitored by a security company or alarm business twenty-four (24) hours a day, seven (7) days a week, operating in full compliance with this ordinance.

b. Permittees shall maintain on the premises up to date and current records and existing contracts with third party alarm system or security services providers that: (1) describe the location and operation of each security alarm system, (2) a schematic of security zones, (3) the name of the alarm company, and, if different from the name of the alarm company, (4) the name of any vendor monitoring the premises.

c. At a minimum, the alarm system shall monitor all exterior points of access into the structure on the premises where commercial cannabis activities are operated, including but not limited to windows and doors.

(3) Security Guard. At all times a premises is open to the public, at least one security guard who is licensed, possesses a valid department of consumer affairs "security guard card".

(4) Records. All records applicable to the surveillance system, alarm system, and track-and-trace system shall be maintained on the premises, and available for inspection upon request by the Police Department or other local law enforcement personnel for law enforcement purposes or to ensure compliance with this ordinance, the Act, or the Regulations.

**6-2.08 County Health Permit.** The City shall work with The County of Los Angeles to adopt the county's Cannabis Compliance and Enforcement Program and require the city's cannabis Permittees to obtain the county's health permit prior to operation.

**6-2.09 Criminal Penalties.**

(a) Any violation of any provision of this ordinance shall be deemed a misdemeanor and shall be enforced pursuant to Title 1, Chapter 2 of Redondo Beach Municipal Code.

(b) Separate offenses for each day. Any person who violates any provision of this ordinance shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.

(c) Use or activity prohibited by State law. Nothing in this ordinance shall be deemed to permit or authorize any use or activity which is otherwise prohibited by State law

**6-2.10 Violations.**

(a) The city may initiate abatement proceedings as authorized by this ordinance or state law to correct or cure any violation of this ordinance. The city shall be entitled to recover its courts costs and reasonable attorneys' fees in the event of a court order or judgment of abatement is entered in favor of the city.

(b) Any person violating any of the provisions of this ordinance shall be guilty of a misdemeanor.

(c) The remedies provided herein are not to be construed as exclusive remedies. The city is authorized to pursue any proceedings or remedies provided by law.

(d) Violations declared a public nuisance. Each and every violation of the provisions of this chapter is hereby deemed unlawful and a public nuisance.

**6-2.11 Audits.** No later than February 15 of every calendar year, each Permittee shall file with the city one copy of an audit of its operations for the previous calendar year, completed and certified by an independent certified public accountant in accordance

with generally accepted auditing and accounting principles. The audit shall include, but not be limited to, a discussion, analysis, and verification of each of the records required to be maintained pursuant to this ordinance.

#### **6-2.12 Records.**

(a) Permittees shall maintain records at the premises accurately and truthfully documenting the following:

(1) Each owner and operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the full names, address, and telephone number) of anyone owning, holding an interest in or managing the commercial cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the commercial cannabis business. The register required by this paragraph shall be provided to the city manager or his/her designee upon a reasonable request.

(2) All receipts of the premises, including but not limited to all payments, purchases, contributions, reimbursements, and reasonable compensation, whether in cash or in kind, concerning commercial cannabis activities, whether among licensees or otherwise.

(3) Commercial cannabis businesses must record all commercial cannabis activity in the track and trace system as required by state law.

(4) Proof of compliance with the Act and regulations, including but not limited to the license issued by the Department authorizing a Permittee to operate commercial cannabis activities on the premises;

(5) Any other required documentation described in the Development Agreement required to be maintained on the premises.

(6) The foregoing records shall be maintained by Permittees for a period of seven (7) years and shall be made available by the Permittee to the Police Department, other local law enforcement, or the city manager upon request. If such records are not produced as requested, the city may seek a search warrant, subpoena, or court order to compel access thereto. The records shall be stored at the premises in a manner capable of being reproduced promptly and accurately. Any loss, damage or destruction of the records shall be reported to the Police Department within twenty-four hours.

(b) Upon institution of a city-wide cannabis tax, it shall be the duty of every owner and operator of a commercial cannabis business to keep all records as may be necessary to determine the amount of tax due hereunder and shall preserve the same for a period of four years. The tax administrator shall have the right to inspect such records at all reasonable times. The finance director shall determine the mode and method of recordkeeping required to assist the tax collector to perform the duties required of him under this section. At the time of permit renewal, each owner and operator shall submit to the city a financial audit of the business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the finance director.

#### **6-2.12 Compliance with laws.**

Nothing in this chapter shall be construed as authorizing any actions that violate state or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis permit. Nothing in this chapter shall be construed as authorizing any actions that violate state law regarding the operation of a commercial cannabis business. Except as otherwise provided herein, this ordinance incorporates the requirements of the Act. In the event of any conflict between the provisions of this ordinance and the provisions of the foregoing, the more restrictive provision shall control.

**6-2.13 Interpretation.** The provisions of this ordinance shall be read to be consistent with all the provisions of state and local law, and their implementing regulations, as well as the other provisions of this ordinance.

**6-2.14 Severability.** Should any provision of this ordinance, or its application to any persons or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have no effect on any other provision of this ordinance or the application of this ordinance to any other person or circumstance and, to that end, the provisions hereof are severable.

**6-2.15 Limitation of Liability**

(a) To the fullest extent permitted by law, the city shall not assume any liability whatsoever, with respect to receiving, reviewing, processing, denying, or approving any application to operate commercial cannabis activities under this ordinance.

(b) As a condition of submitting an application for a Development Agreement, and as a further condition of approval, each applicant or Permittee, as applicable, shall: (1) agree to indemnify the city and its elected and appointed officers, employees, and representatives, from and against any claims, damages, injuries, or liabilities of any kind relating to or arising from an application, the city's denial or approval of an application, or the operation of commercial cannabis activities; (2) waive any and all claims, damages, injuries, or liabilities of any kind against the city and its elected and appointed officers, employees, and representatives; (3) agree to defend, at its sole cost and expense, any action against the city and/or its elected and appointed officers, employees, and representatives, relating to or arising from an application, denial or approval of an application, or the operation of a commercial cannabis activity; and (4) agree to reimburse the city for any court costs and attorneys' fees (with legal counsel of the city's choice) incurred in any legal challenge relating to an application, the denial or approval of any application, or the operation of a commercial cannabis activity.

**6-2.16 Suspension, revocation or modification of permits.**



(a) Commercial cannabis permits may be suspended, revoked or modified for any violation of any state or local law and/or any rule, regulation, and/or standard adopted pursuant to this chapter or in this Code, whether committed by the Permittee or any employee or agent of the Permittee.

(b) A decision of the city to suspend, revoke or modify a commercial cannabis permit is appealable to a hearing officer and any appeal must be filed with the city manager at least ten (10) working days prior to the commencement date of the permit revocation or modification.

(1) The City Clerk shall not accept an appeal, and no hearing shall be held, unless the appellant has paid a filing fee, in an amount set by resolution of the City Council, to defray the cost of such appeal. Any appeal without the timely payment of fees shall be considered to be untimely.

(2) The scope of the appeal hearing pursuant to this section shall be limited to those issues raised by the appellant in the written appeal, as submitted pursuant to subsection (a) of this section.

(3) Upon receipt of a timely filed appeal, the City Clerk shall set the matter for hearing before the City Manager. The hearing shall be held not fewer than ten (10) calendar days and not more than thirty (30) calendar days from the date of the appeal request. The hearing may be continued from time to time upon the mutual consent of the parties.

(4) The appellant shall be provided with notice of the time and place of the appeal hearing, as well as a copy of all relevant materials at least fifteen (15) calendar days prior to the hearing.

(5) An appeal shall stay all proceedings in furtherance of the appealed action. Following appeal, the decision of the hearing officer may be appealed to the city council. A decision of the city council shall be the final decision of the city.

(c) Any premises, or portion of a premises, for which the cannabis public health permit has been suspended or revoked shall close, cease doing business, and remain closed until the cannabis Health Permit has been reinstated or reissued by the City Health Officer.

(d) Additionally, when there is an imminent threat to public health, safety or welfare, the city manager or his/her designee, may take immediate action to temporarily suspend a commercial cannabis permit issued by the city, pending a hearing before the city manager or his/her designee within ten (10) working days of suspension. The decision of the City Manager may be appealed to the City Council, whose decision shall be final.

**SECTION 2. AMENDMENT OF CODE.** The Planning Commission recommends that Title 10, Chapter 2 Section 10-2.126 be fully amended to read as follows:

**10-2.1626 Marijuana regulations.**

(a) **Purpose and findings.** The City Council finds that it is in the interest of public health, safety, and welfare of the residents and businesses within the City to responsibly regulate and allow for commercial cannabis activities in the City of Redondo Beach.

(b) **Definitions.**

(1) **“A-license”** means a State license issued under this section for cannabis or cannabis products that are intended for adults twenty-one (21) years of age and over and who do not possess physician’s recommendations.

(2) **“A-licensee”** means any person holding a license under this section for cannabis or cannabis products that are intended for adults twenty-one (21) years of age and over and who do not possess physician’s recommendations.

(3) **“Act”** shall mean the California Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”), as in Business and Professions Code Section 26000 et seq., as amended from time to time

(4) **“Applicant”** shall mean and refer to a person applying for a Development Agreement pursuant to this ordinance.

(5) **“Cannabis”** For the purpose of this section “cannabis” and “marijuana” shall have the same meaning.

(6) **“Cannabis accessories”** means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.

(7) **“Cannabis product”** means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(8) **“Cannabis retailer”** means a commercial cannabis business where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid commercial cannabis business permit from the City of Redondo Beach authorizing the operation of a retailer, and a valid state license as required by state law to operate as a retailer.

(9) **“Caregiver” or “Primary caregiver”** has the same meaning as the term is defined in Section 11362.7 of the State Health and Safety Code.

(10) **“City”** means the City of Redondo Beach.

(11) **“City Council ” or “Council”** means the City Council of the City of Redondo Beach.

(12) **“City Manager”** means the City Manager of the City of Redondo Beach or his or her designee(s).

(13) **“Commercial cannabis activity”** includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, distribution, delivery or sale of marijuana and marijuana products.

(14) **“Commercial cannabis permit”** means the permit issued by the City under RBMC Section 6-2.00.

(15) **“Conditional Use Permit”** means the permit issued by the City under RBMC Section 10-2.2506.

(15) **“Cultivation”** means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

(16) **“Cultivation site”** means a location where cannabis is planted, grown, harvested, dried, cured, graded or trimmed, or a location where any combination of those activities occurs.

(17) **“Customer”** means a natural person twenty-one (21) years of age or over or a natural person eighteen (18) years of age or older who possesses a physician’s recommendation.

(18) **“Day care center”** means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age child care centers.

(19) **“Delivery”** means the commercial transfer of cannabis or cannabis products to a customer. “Delivery” also includes the use by a retailer of any technology platform owned and controlled by the retailer (or a microbusiness engaging in retail sales).

(20) **“Department”** means the Department of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Cannabis Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.

(21) **“Development Agreement”** means a contract between the City of Redondo Beach and the selected applicant.

(22) **“Dispensary” or “storefront retailer”** means a location where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products.

(23) **“Distribution”** means the procurement, sale, and transport of cannabis and cannabis products between licensees.

(24) **“Edible cannabis product”** means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Section 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code.

(25) **“Gross receipts”** means, except as otherwise specifically provided herein, whether designated as a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, and property of any kind or nature) received or payable for sales of goods, wares, or merchandise without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, or service costs, interest paid or payable, losses, or any other expense whatsoever. However, the following shall be excluded from gross receipts:

- (a) Cash discounts where allowed and taken on sales;
- (b) Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
- (c) Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
- (d) Receipts derived from the occasional sale of used, obsolete, or surplus trade fixtures, machinery, or other equipment used by the taxpayer in the regular course of the taxpayer’s business;

(e) Cash value of sales, trades, or transactions between departments or units of the same business;

(f) Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a given year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered; and

(g) Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar.

(26) **“Manufacture”** means to compound, blend, extract, infuse, or otherwise make or prepare a marijuana product.

(27) **“Manufacturer”** means a person that conducts the production, preparation, propagation, or compounding of marijuana or marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages marijuana or marijuana products or labels or re-labels its container, that holds a State license pursuant to this section.

(28) **“Marijuana”** or **“cannabis”** means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this section, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code.

(29) **“Medicinal cannabis”** means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), California Health and Safety Code Section 11362.5, by a medicinal cannabis patient in California who possesses a physician’s recommendation.

(30) **“Medicinal delivery”** means the commercial transfer of medicinal cannabis to a customer that possesses a physician’s recommendation. “Delivery” also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this section that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.

(31) **“Nursery”** means a license that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

(32) **“Operation”** means any act for which any State or local licensure is required under the provisions of this section or any commercial transfer of cannabis or cannabis products.

(33) **“Owner”** means any of the following:

(a) A person with an aggregated ownership interest of twenty (20%) percent or more in the person or entity applying for a license or a licensee, unless such interest is solely in security, lien, or encumbrance.

(b) The chief executive officer or a member of the board of directors of a nonprofit organization.

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

“Owner” means any of the following:

1. All persons identified as an “owner” on any permit, license, or other authorization issued by a state agency or local government which authorizes the persons to establish and operate the cannabis facility.

2. Any person identified or required to be identified as an “owner” on an application filed with any state agency and any local government, wherein the application requests the privilege to operate the cannabis facility.

3. If no person under subsection 1 or 2, above, exists:

a. A person with an aggregate ownership interest of 20 percent or more in the corporate entity, partnership, or other business entity applying for a permit or a Permittee, 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.

d. An individual who will be participating in the direction, control, or management of the person applying for a permit. A member of the board of directors of a nonprofit.

e. An individual who will be participating in the direction, control, or management of the person applying for a permit.

(34) **“Package”** means any container or receptacle used for holding cannabis or cannabis products.

(35) **“Permittee”** means a person who has obtained a commercial cannabis permit from the city to operate a cannabis business.

**“Person”** includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

(36) **“Physician’s recommendation”** means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.

(37) **“Private residence”** means a house, an apartment unit, a mobile home, or other similar dwelling.

(38) **“Purchaser”** means the customer who is engaged in a transaction for purposes of obtaining cannabis or cannabis products.

(39) **“Qualified delivery service”** is one that has been licensed pursuant to the requirements of California Business and Professions Code Section 26050, maintains at all times while operating in the City of Redondo Beach all necessary State licenses, and operates in compliance with State and local law.

(40) **“Sell,” “sale,” and “to sell”** includes any transaction whereby, for any consideration, title to marijuana is transferred from one person to another, and includes the delivery of marijuana or marijuana products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of marijuana or marijuana products by a licensee to the licensee from whom such marijuana or marijuana product was purchased.

(41) **“State license”** means a State license issued under this section, and includes both an A-license and an M-license, as well as a testing laboratory license.

(42) **“State licensee”** means any person holding a license under this section, regardless of whether the license held is an A-license or an M-license, and includes the holder of a testing laboratory license.

(43) **“State licensing authority”** means the State agency responsible for the issuance, renewal, or reinstatement of the license, or the State agency authorized to take disciplinary action against the licensee.

(44) **“Testing laboratory”** means a laboratory, facility, or entity in the State that offers or performs tests of cannabis or cannabis products and that is both of the following:

a. Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the State.

b. Licensed by the Department.

(45) **“Testing service”** means a laboratory, facility, or entity in the State, that offers or performs tests of marijuana or marijuana products, including the equipment provided by such laboratory, facility, or entity, and that is both of the following:

a. Accredited by an accrediting body that is independent from all other persons involved in commercial marijuana activity in the State.

b. Registered with the State Department of Public Health.

(46) **“Youth center”** means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

(c) **Commercial cannabis activities prohibited unless specifically authorized by this chapter.**

(1) It shall be unlawful for any person to operate, cause, allow, assist, participate in, engage in, or in any way conduct any commercial cannabis activity within the city, including but not limited to the cultivation, delivery, distribution, manufacture, testing, transport, retail, microbusiness, purchase, sale, testing, distribution, giving away, or otherwise transferring of cannabis or cannabis products, or any other activities for which a license is available except in compliance with the provisions of Section (c)(2) below.

(2) The prohibitions of subsection (a) shall not apply to the following persons, provided said person operates in strict accordance with State and local regulations:

a. A clinic, licensed pursuant to Chapter 1 of Division 2 of the Health and Safety Code;

b. Health care facility, licensed pursuant to Chapter 2 of Division 2 of the Health and Safety Code;

- c. A residential care facility for persons with chronic life-threatening illness, licensed pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code;
- d. A residential care facility for the elderly, licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code;
- e. A residential hospice or home health agency, licensed pursuant to Chapter 8 of the Health and Safety Code;
- f. Personal indoor cultivation in compliance with this ordinance;
- g. A licensee's transportation of cannabis or cannabis products on public roads pursuant to subsection (b) of Section 26080 or subsection (e) of Section 26090 of the Business and Professions Code, as the same may be amended from time to time, provided the licensee is permitted or approved to operate by the local jurisdiction in which the licensee's facilities are physically located;
- h. A Permittee authorized to engage in retail activities under this ordinance, provided that said person has entered into a Development Agreement with the city, has been granted a conditional use permit, has been issued the requisite license from the Department, and otherwise complies, at all times, with the provisions of this ordinance.

(3) Until the City establishes a local commercial cannabis tax, the City hereby expressly prohibits the delivery of cannabis and cannabis products within the City except by cannabis retailers based within the City. If the City is required by State law to permit the delivery of cannabis and cannabis products by cannabis retailers not based within the City, such cannabis retailers not based within the City shall be required to comply with the provisions in this ordinance, including, but not limited to, the City commercial cannabis business permit application and approval processes under the ordinance.

(4) Delivery of medicinal cannabis and medicinal cannabis products to qualified patients and their primary caregivers by state licensee cannabis businesses, is permitted within the City until a retailer issued a commercial cannabis business permit.

**(5) Individual cultivation restrictions.**

a. No person shall plant, cultivate, harvest, dry, or process more than six (6) cannabis plants or permit more than six (6) cannabis plants to be planted, cultivated, harvested, dried, or processed within a single private residence, or upon the grounds of that private residence at one time.

b. Personal cultivation permitted under Health and Safety Code Section 11362.2, as amended from time to time, must occur in a secured indoor location or outdoors within a locked structure upon the growers own property, or a property to which they have explicit authority to access, and in an area that is not visible from a public right-of-way.

**(6) Commercial cannabis retailer regulations.**

a. **Cannabis Retailer Permit Required.** A cannabis retailer must obtain and maintain at all times a valid Commercial Cannabis permit as required pursuant to Redondo Beach Municipal Code Title 6, Chapter 6.

b. **Conditional Use Permit and Zoning.**

- (1) A Conditional Use Permit is required to establish a cannabis business or operate as a cannabis retailer. Cannabis retailers shall be required to comply with all zoning, land use, and development regulations applicable to the zoning district in which they are permitted to establish and operate such business as set forth in the Redondo Beach Municipal Code.
- (2) The cannabis retailer is not required to obtain a Conditional Use Permit prior to applying for a Commercial Cannabis Permit.
- (3) If a cannabis retailer is authorized by Conditional Use Permit to operate a cannabis business on a particular site and such operation is discontinued for a continuous period of 12 months, the Conditional Use Permit expires for discontinuance of use and thereafter is void.

c. **Number of Retailers.** No more than two (2) sites may be used for storefront commercial cannabis retailers at any time. Those sites maybe concurrently licensed to provide Delivery.

d. **Location Requirements.**

A. Cannabis retailers shall be permitted only in commercial and industrial zones, specifically limited to the C-1, C-2, C-2A, C-2B, C-2PD, C-3, C-3A, C-3B, C-3PD, C-4, C-4A, C-4B, C-4PD, C-5A, CR, I-1, I-1A, I-1B, I-2, I-2A, and IC-1 zones. Cannabis retailers are prohibited in Coastal Commercial zones. Cannabis retailers are prohibited in any public-institutional zones and zones where residential is permitted.

B. No retailer shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any other cannabis retailer.

C. No retailer shall be established or located within 1,500 feet of any public or private high school or middle school, measured from the nearest property lines of each of the affected parcels.

D. No retailer shall be established or located within 600 feet from public or private elementary schools, day cares, and youth centers, measured from the nearest property lines of each of the affected parcels.

E. Each Council District shall only have one (1) cannabis retail site.

F. No permitted cannabis retailer may operate from a location that has previously been enforced upon for illegal cannabis activities, for a minimum of 5 years from the passing of this ordinance or from the date of the violation, whichever is later.

e. **Operating Requirements.** In addition to those operating requirements specifically set forth in Section 6-2.05, the following operating requirements shall apply to all cannabis retailers operating in the City of Redondo Beach:

A. **Hours of Operation.** Storefront retail sales may be open for access to the public between the hours of 9:00 a.m. and 10:00 p.m., Monday



through Sunday. Delivery hours shall be limited to between the hours of 6:00 a.m. and 10:00 p.m., Monday through Sunday.

B. Commercial cannabis activities may only operate within a fully enclosed and permanent building. For purposes of this ordinance, the phrase "fully enclosed and permanent building" shall mean a structure having a roof that is enclosed on all sides and is intended and has a useful life appropriate for long-term use, as contrasted with a "temporary building" that is not designed or intended to be permanently located, placed, or affixed to the premises.

C. No permitted cannabis retailer may operate from a location that has previously been enforced upon for illegal cannabis activities, for a minimum of 5 years from the passing of this ordinance.

D. Notwithstanding the requirements of Section 6-2.07, uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities.

E. For medicinal cannabis, the retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and that the potential customer has a valid physician's recommendation. For adult-use cannabis, the retailer shall verify the age of each customer to ensure the customer is not under the age of twenty-one (21) years.

F. Delivery services are permitted in association with a Cannabis Retailer. Delivery of cannabis shall be permitted in compliance with provision (c)(2)(h) of this Section. A delivery service may operate only as a part of and in conjunction with a retailer permitted pursuant to State law and pursuant to Redondo Beach Municipal Code. Delivery of cannabis from a retailer permitted pursuant to this Section can only be made in a City of County that does not expressly prohibit it by ordinance.

(e) **Public nuisance.** Any use or condition caused, or permitted to exist in violation of any provision of this section within the City limits of the City of Redondo Beach is declared to be a public nuisance and may be abated by the City either pursuant to Title 4, Chapter 10 of Redondo Beach Municipal Code or any available legal remedies, including, but not limited to, civil injunctions.

(f) **Criminal penalties.** Any violation of any provision of this section shall be deemed a misdemeanor and shall be enforced pursuant to Title 1, Chapter 2 of Redondo Beach Municipal Code.

(g) **Separate offense for each day.** Any person who violates any provision of this section shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.

(h) **Use or activity prohibited by State law.** Nothing in this section shall be deemed to permit or authorize any use or activity which is otherwise prohibited by State law.

SECTION 3. AMENDMENT OF CODE. The Planning Commission recommends that Title 10, Chapter 5 Section 10-5.1626 be fully amended to read as follows:

**10-5.1626 Marijuana regulations.**

(a) **Purpose and findings.** The City Council finds that it is in the interest of public health, safety, and welfare of the residents and businesses within the City to responsibly regulate and allow for commercial cannabis activities in the City of Redondo Beach.

(b) **Definitions.**

(1) **"A-license"** means a State license issued under this section for cannabis or cannabis products that are intended for adults twenty-one (21) years of age and over and who do not possess physician's recommendations.

(2) **"A-licensee"** means any person holding a license under this section for cannabis or cannabis products that are intended for adults twenty-one (21) years of age and over and who do not possess physician's recommendations.

(3) **"Act"** shall mean the California Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), as in Business and Professions Code Section 26000 et seq., as amended from time to time

(4) **"Applicant"** shall mean and refer to a person applying for a Development Agreement pursuant to this ordinance.

(5) **"Cannabis"** For the purpose of this section "cannabis" and "marijuana" shall have the same meaning.

(6) **"Cannabis accessories"** means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.

(7) **"Cannabis product"** means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(8) **"Cannabis retailer"** means a commercial cannabis business where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid commercial cannabis business permit from the City of Redondo Beach authorizing the operation of a retailer, and a valid state license as required by state law to operate as a retailer.

(9) **"Caregiver" or "Primary caregiver"** has the same meaning as the term is defined in Section 11362.7 of the State Health and Safety Code.

(10) **"City"** means the City of Redondo Beach.

(11) **"City Council "** or "Council" means the City Council of the City of Redondo Beach.

(12) **"City Manager"** means the City Manager of the City of Redondo Beach or his or her designee(s).

(13) **"Commercial cannabis activity"** includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, distribution, delivery or sale of marijuana and marijuana products.

(14) **"Commercial cannabis permit"** means the permit issued by the City under RBMC Section 6-2.00.

(15) **“Conditional Use Permit”** means the permit issued by the City under RBMC Section 10-5.2506.

(15) **“Cultivation”** means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of marijuana.

(16) **“Cultivation site”** means a location where cannabis is planted, grown, harvested, dried, cured, graded or trimmed, or a location where any combination of those activities occurs.

(17) **“Customer”** means a natural person twenty-one (21) years of age or over or a natural person eighteen (18) years of age or older who possesses a physician’s recommendation.

(18) **“Day care center”** means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age child care centers.

(19) **“Delivery”** means the commercial transfer of cannabis or cannabis products to a customer. “Delivery” also includes the use by a retailer of any technology platform owned and controlled by the retailer (or a microbusiness engaging in retail sales).

(20) **“Department”** means the Department of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Cannabis Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation.

(21) **“Development Agreement”** means a contract between the City of Redondo Beach and the selected applicant.

(22) **“Dispensary” or “storefront retailer”** means a location where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products.

(23) **“Distribution”** means the procurement, sale, and transport of cannabis and cannabis products between licensees.

(24) **“Edible cannabis product”** means cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Section 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code.

(25) **“Gross receipts”** means, except as otherwise specifically provided herein, whether designated as a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, and property of any kind or nature) received or payable for sales of goods, wares, or merchandise without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, or service costs, interest paid or payable, losses, or any other expense whatsoever. However, the following shall be excluded from gross receipts:

(a) Cash discounts where allowed and taken on sales;

(b) Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

(c) Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

(d) Receipts derived from the occasional sale of used, obsolete, or surplus trade fixtures, machinery, or other equipment used by the taxpayer in the regular course of the taxpayer's business;

(e) Cash value of sales, trades, or transactions between departments or units of the same business;

(f) Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a given year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered; and

(g) Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar.

(26) **"Manufacture"** means to compound, blend, extract, infuse, or otherwise make or prepare a marijuana product.

(27) **"Manufacturer"** means a person that conducts the production, preparation, propagation, or compounding of marijuana or marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages marijuana or marijuana products or labels or re-labels its container, that holds a State license pursuant to this section.

(28) **"Marijuana"** or **"cannabis"** means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this section, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

(29) **"Medicinal cannabis"** means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), California Health and Safety Code Section 11362.5, by a medicinal cannabis patient in California who possesses a physician's recommendation.

(30) **"Medicinal delivery"** means the commercial transfer of medicinal cannabis to a customer that possesses a physician's recommendation. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this section that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of marijuana or marijuana products.

(31) **"Nursery"** means a license that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

(32) **“Operation”** means any act for which any State or local licensure is required under the provisions of this section or any commercial transfer of cannabis or cannabis products.

(33) **“Owner”** means any of the following:

(a) A person with an aggregated ownership interest of twenty (20%) percent or more in the person or entity applying for a license or a licensee, unless such interest is solely in security, lien, or encumbrance.

(b) The chief executive officer or a member of the board of directors of a nonprofit organization.

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

**“Owner”** means any of the following:

1. All persons identified as an "owner" on any permit, license, or other authorization issued by a state agency or local government which authorizes the persons to establish and operate the cannabis facility.

2. Any person identified or required to be identified as an "owner" on an application filed with any state agency and any local government, wherein the application requests the privilege to operate the cannabis facility.

3. If no person under subsection 1 or 2, above, exists:

a. A person with an aggregate ownership interest of 20 percent or more in the corporate entity, partnership, or other business entity applying for a permit or a Permittee, 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.

d. An individual who will be participating in the direction, control, or management of the person applying for a permit. A member of the board of directors of a nonprofit.

e. An individual who will be participating in the direction, control, or management of the person applying for a permit.

(34) **“Package”** means any container or receptacle used for holding cannabis or cannabis products.

(35) **“Permittee”** means a person who has obtained a commercial cannabis permit from the city to operate a cannabis business.

**“Person”** includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

(36) **“Physician’s recommendation”** means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.

(37) **“Private residence”** means a house, an apartment unit, a mobile home, or other similar dwelling.

(38) **“Purchaser”** means the customer who is engaged in a transaction for purposes of obtaining cannabis or cannabis products.

(39) **“Qualified delivery service”** is one that has been licensed pursuant to the requirements of California Business and Professions Code Section 26050,

maintains at all times while operating in the City of Redondo Beach all necessary State licenses, and operates in compliance with State and local law.

(40) **“Sell,” “sale,” and “to sell”** includes any transaction whereby, for any consideration, title to marijuana is transferred from one person to another, and includes the delivery of marijuana or marijuana products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of marijuana or marijuana products by a licensee to the licensee from whom such marijuana or marijuana product was purchased.

(41) **“State license”** means a State license issued under this section, and includes both an A-license and an M-license, as well as a testing laboratory license.

(42) **“State licensee”** means any person holding a license under this section, regardless of whether the license held is an A-license or an M-license, and includes the holder of a testing laboratory license.

(43) **“State licensing authority”** means the State agency responsible for the issuance, renewal, or reinstatement of the license, or the State agency authorized to take disciplinary action against the licensee.

(44) **“Testing laboratory”** means a laboratory, facility, or entity in the State that offers or performs tests of cannabis or cannabis products and that is both of the following:

- a. Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the State.
- b. Licensed by the Department.

(45) **“Testing service”** means a laboratory, facility, or entity in the State, that offers or performs tests of marijuana or marijuana products, including the equipment provided by such laboratory, facility, or entity, and that is both of the following:

- a. Accredited by an accrediting body that is independent from all other persons involved in commercial marijuana activity in the State.
- b. Registered with the State Department of Public Health.

(46) **“Youth center”** means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.

(c) **Commercial cannabis activities prohibited unless specifically authorized by this chapter.**

(1) It shall be unlawful for any person to operate, cause, allow, assist, participate in, engage in, or in any way conduct any commercial cannabis activity within the city, including but not limited to the cultivation, delivery, distribution, manufacture, testing, transport, retail, microbusiness, purchase, sale, testing, distribution, giving away, or otherwise transferring of cannabis or cannabis products, or any other activities for which a license is available except in compliance with the provisions of Section (c)(2) below.

(2) The prohibitions of subsection (a) shall not apply to the following persons, provided said person operates in strict accordance with State and local regulations:

- a. A clinic, licensed pursuant to Chapter 1 of Division 2 of the Health and Safety Code;

- b. Health care facility, licensed pursuant to Chapter 2 of Division 2 of the Health and Safety Code;
- c. A residential care facility for persons with chronic life-threatening illness, licensed pursuant to Chapter 3.01 of Division 2 of the Health and Safety Code;
- d. A residential care facility for the elderly, licensed pursuant to Chapter 3.2 of Division 2 of the Health and Safety Code;
- e. A residential hospice or home health agency, licensed pursuant to Chapter 8 of the Health and Safety Code;
- f. Personal indoor cultivation in compliance with this ordinance;
- g. A licensee's transportation of cannabis or cannabis products on public roads pursuant to subsection (b) of Section 26080 or subsection (e) of Section 26090 of the Business and Professions Code, as the same may be amended from time to time, provided the licensee is permitted or approved to operate by the local jurisdiction in which the licensee's facilities are physically located;
- h. A Permittee authorized to engage in retail activities under this ordinance, provided that said person has entered into a Development Agreement with the city, has been granted a conditional use permit, has been issued the requisite license from the Department, and otherwise complies, at all times, with the provisions of this ordinance.

(3) Until the City establishes a local commercial cannabis tax, the City hereby expressly prohibits the delivery of cannabis and cannabis products within the City except by cannabis retailers based within the City. If the City is required by State law to permit the delivery of cannabis and cannabis products by cannabis retailers not based within the City, such cannabis retailers not based within the City shall be required to comply with the provisions in this ordinance, including, but not limited to, the City commercial cannabis business permit application and approval processes under the ordinance.

(4) Delivery of medicinal cannabis and medicinal cannabis products to qualified patients and their primary caregivers by state licensee cannabis businesses, is permitted within the City until a retailer issued a commercial cannabis business permit.

(5) **Individual cultivation restrictions.**

a. No person shall plant, cultivate, harvest, dry, or process more than six (6) cannabis plants or permit more than six (6) cannabis plants to be planted, cultivated, harvested, dried, or processed within a single private residence, or upon the grounds of that private residence at one time.

b. Personal cultivation permitted under Health and Safety Code Section 11362.2, as amended from time to time, must occur in a secured indoor location or outdoors within a locked structure upon the growers own property, or a property to which they have explicit authority to access, and in an area that is not visible from a public right-of-way.

(6) **Commercial cannabis retailer regulations.**

a. **Cannabis Retailer Permit Required.** A cannabis retailer must obtain and maintain at all times a valid Commercial Cannabis permit as required pursuant to Redondo Beach Municipal Code Title 6, Chapter 6.

b. **Conditional Use Permit and Zoning.**

- (1) A Conditional Use Permit is required to establish a cannabis business or operate as a cannabis retailer. Cannabis retailers shall be required to comply with all zoning, land use, and development regulations applicable to the zoning district in which they are permitted to establish and operate such business as set forth in the Redondo Beach Municipal Code.
- (2) The cannabis retailer is not required to obtain a Conditional Use Permit prior to applying for a Commercial Cannabis Permit.
- (3) If a cannabis retailer is authorized by Conditional Use Permit to operate a cannabis business on a particular site and such operation is discontinued for a continuous period of 12 months, the Conditional Use Permit expires for discontinuance of use and thereafter is void.

c. **Number of Retailers.** No more than two (2) sites may be used for storefront commercial cannabis retailers at any time. Those sites may be concurrently licensed to provide Delivery.

d. **Location Requirements.**

A. Cannabis retailers shall be permitted only in commercial and industrial zones, specifically limited to the C-1, C-2, C-2A, C-2B, C-2PD, C-3, C-3A, C-3B, C-3PD, C-4, C-4A, C-4B, C-4PD, C-5A, CR, I-1, I-1A, I-1B, I-2, I-2A, and IC-1 zones. Cannabis retailers are prohibited in Coastal Commercial zones. Cannabis retailers are prohibited in any public-institutional zones and zones where residential is permitted.

B. No retailer shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any other cannabis retailer.

C. No retailer shall be established or located within 1,500 feet of any public or private high school or middle school, measured from the nearest property lines of each of the affected parcels.

D. No retailer shall be established or located within 600 feet from public or private elementary schools, day cares, and youth centers, measured from the nearest property lines of each of the affected parcels.

E. Each Council District shall only have one (1) cannabis retail site.

F. No permitted cannabis retailer may operate from a location that has previously been enforced upon for illegal cannabis activities, for a minimum of 5 years from the passing of this ordinance or from the date of the violation, whichever is later.

e. **Operating Requirements.** In addition to those operating requirements specifically set forth in Section 6-2.05, the following operating requirements shall apply to all cannabis retailers operating in the City of Redondo Beach:

A. **Hours of Operation.** Storefront retail sales may be open for access to the public between the hours of 9:00 a.m. and 10:00 p.m., Monday



through Sunday. Delivery hours shall be limited to between the hours of 6:00 a.m. and 10:00 p.m., Monday through Sunday.

B. Commercial cannabis activities may only operate within a fully enclosed and permanent building. For purposes of this ordinance, the phrase "fully enclosed and permanent building" shall mean a structure having a roof that is enclosed on all sides and is intended and has a useful life appropriate for long-term use, as contrasted with a "temporary building" that is not designed or intended to be permanently located, placed, or affixed to the premises.

C. No permitted cannabis retailer may operate from a location that has previously been enforced upon for illegal cannabis activities, for a minimum of 5 years from the passing of this ordinance.

D. Notwithstanding the requirements of Section 6-2.07, uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities,

E. For medicinal cannabis, the retailer shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years and that the potential customer has a valid physician's recommendation. For adult-use cannabis, the retailer shall verify the age of each customer to ensure the customer is not under the age of twenty-one (21) years.

F. Delivery services are permitted in association with a Cannabis Retailer. Delivery of cannabis shall be permitted in compliance with provision (c)(2)(h) of this Section. A delivery service may operate only as a part of and in conjunction with a retailer permitted pursuant to State law and pursuant to Redondo Beach Municipal Code. Delivery of cannabis from a retailer permitted pursuant to this Section can only be made in a City of County that does not expressly prohibit it by ordinance.

(e) **Public nuisance.** Any use or condition caused, or permitted to exist in violation of any provision of this section within the City limits of the City of Redondo Beach is declared to be a public nuisance and may be abated by the City either pursuant to Title 4, Chapter 10 of Redondo Beach Municipal Code or any available legal remedies, including, but not limited to, civil injunctions.

(f) **Criminal penalties.** Any violation of any provision of this section shall be deemed a misdemeanor and shall be enforced pursuant to Title 1, Chapter 2 of Redondo Beach Municipal Code.

(g) **Separate offense for each day.** Any person who violates any provision of this section shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.

(h) **Use or activity prohibited by State law.** Nothing in this section shall be deemed to permit or authorize any use or activity which is otherwise prohibited by State law.

SECTION 4. Any provisions of the Redondo Beach Municipal Code, or appendices thereto, or any other ordinances of the City inconsistent herewith, to the extent of such inconsistencies and no further, are hereby repealed.

SECTION 5. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the ordinance. The City Council shall declare that it would have passed this ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

SECTION 6. Below are additional recommendations from the Planning Commission for the City Council to consider in finalizing and implementing the cannabis regulations.

1. Correct numbering and reference in 10-2 and 10-5.1623(c)(2) references the "prohibitions of subsection (a)". That should reference subsection (c)(1) immediately above it.
2. Add definitions for the following terms:
  - a. Hearing Officer
  - b. Tax Administrator
  - c. Finance Director
  - d. Permit Administrator
  - e. Premises
3. Correct discrepancy between calendar days referenced in 6-2.16(b)(3) and (b)(4) so that materials would not have to be submitted in advance of the appeal itself.
4. In 6-2.05(c)(14) add clarification that employees would be permitted to consume food on site not in the customer area.
5. By limiting to two licenses, it is a duopoly. Under Subsection 6-2.06 remove the reference to the "...minimum period of three (3) years from the start of operation." And remove the language, "Permittee may only transfer ownership after the initial period of time and with prior discretionary approval of the City Council. Before approving any such request, City may require the purchaser, assignee, or transferee to provide the same information and materials that are required of an initial applicant, including the payment of associated fees."
6. Require a Conditional Use Permit condition that authorizes that CUP only while there is an operator that has a commercial cannabis retailer permit per Title 6.
7. Consider engaging a thoroughly vetted and referenced consultant with experience evaluating the cannabis industry to evaluate the ordinance in its entirety.

8. Institute a mechanism to vet all owners. Specifically, if a certain percentage is proposed to be assigned to new owners or partners, permittee is to notify the City and must obtain prior City Council approval. A restriction should be added to prohibit a permittee to be a C Corporation.
9. Prohibit the two permits from having the same or common ownership.
10. Require that the developer agreement set a timeframe from when a permit is issued to when it is required to be in operation.
11. Revise 6-2.02 to read, "No person may operate a commercial cannabis business or engage in commercial cannabis activity within the City of Redondo Beach including cultivation, processing, manufacturing, testing, sale, delivery, distribution, or transportation of cannabis or a cannabis product unless the person (1) has a valid commercial cannabis retailer permit from the City of Redondo Beach; (2) has any and all valid state or local permits; and (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis business and the commercial cannabis activity, including holding the necessary state licenses to engage in commercial cannabis activity." Where the language is specifying that only a cannabis retailer permit allowed.
12. Require in the developer agreement that the permittee have a community relations contact available to businesses and residents within 600' of the site and quarterly meetings required between community relations contact and City Manager for first year and at request of City Manager thereafter.
13. Revise Section 6-2.05(c)(5) to address and not inadvertently prohibit delivery. The language currently states, "All commercial cannabis business shall be operated within the specific part of the premises specified in the Development Agreement and/or conditional use permit. No commercial cannabis activities shall take place in an area exceeding the square footage authorized in the controlling Development Agreement, conditional use permit, or the licensee's license; whichever is most restrictive."
14. Developer agreement should restrict permitted local cannabis retail businesses from advertising on billboards in the City of Redondo Beach.
15. If there is no requirement under the law for personal information to be collected for cannabis retail storefront licensees, prohibit the business from requiring that the personal information be collected in order to be a customer.
16. Concern with real time surveillance being an invasion of privacy. Return the video surveillance requirements to be limited to the State requirements, police not surveilling the cannabis site, or if police have surveillance access, not recording it. If police have recordings of surveillance at the discretion of the permittee, should delete surveillance recordings within 90 days unless part of an active investigation.

17. Regarding buffering residential zones:

- a. Prohibit entrances and exits and driveways associated with cannabis retailers on streets where adjacent to residential zone where residential shares that road within the same block.

18. Add restriction that no more than cannabis retail site per street.

19. Consider requiring a bond for liability.

20. Consider requiring in the development agreement an audit of operations in addition to the financial auditing requirement to be paid for by the permittee.

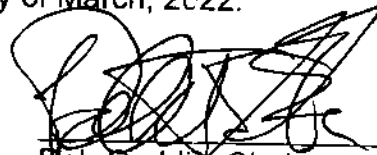
21. Recommend that Council add supplemental appearance requirements per 6-2.05(c)(9) in the development agreement.

22. Remove the CR zone that includes the Galleria site as an allowed zone for cannabis retailer permits.

23. Considering that Beach Cities Transit Route 102 is a main bus line for Redondo Beach High School students to take to school, with two bus stops on Artesia Boulevard between Ridge Lane and Hawthorne Boulevard, recommend removing the commercial sites along Artesia Boulevard between Ridge Lane and Hawthorne Boulevard from consideration for cannabis retailer permits.

FINALLY RESOLVED, that the Planning Commission forward a copy of this resolution to the City Council so the Council will be informed of the action of the Planning Commission.

PASSED, APPROVED, AND ADOPTED this 3<sup>rd</sup> day of March, 2022.



Rob Gaddis, Chair  
Planning Commission  
City of Redondo Beach

ATTEST:

STATE OF CALIFORNIA        )  
COUNTY OF LOS ANGELES    )    SS  
CITY OF REDONDO BEACH     )

I, Brandy Forbes, Community Development Director of the City of Redondo Beach, California, do hereby certify that the foregoing Resolution No. 2022-03-PCR-02 was duly passed, approved and adopted by the Planning Commission of the City of Redondo Beach, California, at an adjourned regular meeting of said Planning Commission held on the 3<sup>rd</sup> day of March, 2022 by the following roll call vote:

AYES:       Chair Gaddis, Commissioners Behrendt, Boswell, Hazeltine, Hinsley, Godek, and Lamb

NOES:       None

ABSENT:     None

  
\_\_\_\_\_  
Brandy Forbes, AICP  
Community Development Director

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney's Office

**City of Redondo Beach  
Planning Commission Minutes  
Adjourned Regular Meeting  
March 3, 2022**

**A. CALL TO ORDER**

A Virtual meeting of the Planning Commission was held pursuant to California Assembly Bill 361 and City Council action and was called to order by Chair Gaddis at 6:30 p.m.

**B. ROLL CALL**

Commissioners Present: Behrendt, Boswell, Godek, Hazeltine, Hinsley, Lamb, Chair Gaddis

Officials Present: Brandy Forbes, Community Development Director  
Jillian Martins, Senior Deputy City Attorney  
Lina Portolese, Planning Analyst

**C. SALUTE TO THE FLAG**

Commissioner Hazeltine led in the Salute to the Flag.

**D. APPROVE OF ORDER OF AGENDA**

Motion by Commissioner Hazeltine, seconded by Commissioner Lamb, to approve the order of the agenda, as presented. Motion carried 7-0, with the following roll call vote:

AYES: Behrendt, Boswell, Godek, Hazeltine, Hinsley, Lamb, Chair Gaddis  
NOES: None  
ABSTAIN: None  
ABSENT: None

**E. BLUE FOLDER ITEMS – ADDITIONAL BACK UP MATERIALS - None**

**F. CONSENT CALENDAR**

There were no public comments or eComments on this item.

**F. 1. APPROVE AFFIDAVIT OF POSTING OF THE PLANNING COMMISSION  
ADJOURNED REGULAR MEETING OF MARCH 3, 2022**

**F. 2. APPROVE MINUTES OF THE PLANNING COMMISSION REGULAR MEETING OF  
FEBRUARY 17, 2022**

**F. 3. RECEIVE AND FILE PLANNING COMMISSION REFERRALS TO STAFF UPDATE**

**No update since February 17, 2022**

Motion by Commissioner Hazeltine, seconded by Commissioner Hinsley, to approve the Consent Calendar, as presented. Motion carried 7-0, with the following roll call vote:

AYES: Behrendt, Boswell, Godek, Hazeltine, Hinsley, Lamb, Chair Gaddis  
NOES: None  
ABSTAIN: None  
ABSENT: None

**G. EXCLUDED CONSENT CALENDAR ITEMS - None**

**H. PUBLIC PARTICIPATION NON-AGENDA ITEMS**

There were no eComments or public comments on items not on the agenda.

**I. EX PARTE COMMUNICATIONS**

Commissioner Behrendt reported speaking with Chair Gaddis, City staff, Councilmembers Obagi, Nehrenheim, Loewenstein, Emdee and Horvath, Jonatan Cvetko from the Cannabis Steering Committee, Kerri Ann Lawson from the Beach Cities Health District, former Councilmember Kagel, Ms. Joan Irvine, Members of the Redondo Beach Business Association, a Cannabis Law expert and residents.

Commissioner Boswell spoke with Jonatan Cvetko from the Cannabis Steering Committee, Councilmember Obagi, residents and Geoff Maleman of the Galleria.

Commissioner Lamb spoke with Councilmembers Nehrenheim and Obagi.

Commissioner Hazeltine spoke with Councilmember Obagi and residents.

Commissioner Hinsley spoke with City staff, Jonatan Cvetko from the Cannabis Steering Committee and residents.

Chair Gaddis spoke with Commissioner Behrendt, Mayor Brand, Councilmember Loewenstein, residents and City staff.

**J. PUBLIC HEARINGS**

**J. 1. PUBLIC HEARING TO CONSIDER ADOPTION OF A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL ADOPT ORDINANCES AMENDING TITLE 6 BUSINESS, PROFESSIONS, AND TRADES, TITLE 10 CHAPTER 2 ZONING AND LAND USE, AND TITLE 10 CHAPTER 5 COASTAL LAND USE PLAN IMPLEMENTING ORDINANCE OF THE REDONDO BEACH MUNICIPAL CODE PERTAINING TO CANNABIS REGULATIONS AND CONSIDER ADOPTION OF CATEGORICAL EXEMPTIONS FROM THE**

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE AMENDMENTS**

**RECOMMENDATIONS:**

1. Open Public Hearing, take testimony from staff and other interested parties and deliberate;
2. Close Public Hearing; and
3. Adopt a resolution by title only subject to the findings contained therein:

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF REDONDO BEACH, CALIFORNIA RECOMMENDING THAT THE CITY COUNCIL ADOPT ORDINANCES AMENDING TITLE 6 BUSINESSES, PROFESSIONS, AND TRADES, TITLE 10 CHAPTER 2 ZONING AND LAND USE, AND TITLE 10 CHAPTER 5 COASTAL LAND USE PLAN IMPLEMENTING ORDINANCE PERTAINING TO CANNABIS REGULATIONS AND RECOMMENDING THAT THE CITY COUNCIL ADOPT CATEGORICAL EXEMPTIONS FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE AMENDMENTS.**

**CONTACT:** BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR

Motion by Chair Gaddis, seconded by Commissioner Hazeltine, to open the public hearing. Motion carried 7-0, with the following roll call vote:

AYES: Behrendt, Boswell, Godek, Hazeltine, Hinsley, Lamb, Chair Gaddis  
NOES: None  
ABSTAIN: None  
ABSENT: None

Community Development Director Forbes narrated a PowerPoint presentation with details of the Administrative Report; discussed the Planning Commission's role at this time in terms of land use; spoke about residential zones adjacent to cannabis sites and addressed security requirements.

Discussion followed regarding transfer and sale of licenses once they are granted, the possibility prohibiting the transfer of licenses but rather require licenses to be forfeited back to the City, addressing the definition of "ownership", eliminating the three-year period in terms of prohibiting the sale and transfer of licenses, recommending that City Council review the pros and cons of CUPs versus business licenses, the possibility of hiring a third-party consultant that could advise on some of the cannabis-related issues, addressing corporate ownership of licenses, the development agreement process, allowing commercial cannabis retail and not cultivation, the 600 ft. boundary limitations and potential qualifying zone sites.

In response to Commissioner Hinsley, Director Forbes stated that the City Council will oversee the selection process and would have the authority to approve the development agreement. The Planning Commission would review the Conditional Use Permit application for the physical



location land use approval.

Commissioner Hinsley commented that the language seems to allow for cultivation even if there is language elsewhere that disallows it, confirmed that buffer zones from schools and daycares included a neighboring city if near a border, and clarified that the City Council recommended including the CR zone.

In response to Commissioner Hazeltine, Director Forbes reviewed a map of buffer zones and general areas where cannabis retail could potentially be located.

Commissioner Hazeltine supported smaller size retailers and license transfers being reviewed by the City.

Chair Gaddis suggested prohibiting both licenses being owned by any one set of partners or cross ownership between two licenses and setting a time limit between the time a license is granted and the time it starts being used and discussed combined licenses for retail and delivery on the same site.

Commissioner Behrendt talked about making sure that one owner is not just a shell company for another and suggested stringent reviews.

In reply to Commissioner Boswell's question, Community Development Director Forbes and Senior Deputy City Attorney Martins discussed commercial cultivation versus individual cultivation and commented on regulations and enforcement, state versus local regulations and packaging and labeling requirements.

Discussion continued regarding inspections, access to surveillance and making records available to Law Enforcement, and a limit to the length of time surveillance must be stored.

Commissioner Godek commented on buffers from residential zones, driveway access adjacent to residential zones, clarification on prohibiting deliveries originating in other cities, increasing the distance between locations.

Commissioner Boswell discussed limiting ownership to one license, whether the limitation to two locations is sufficient to serve the City, clarification of delivery businesses, and concerns with storage of customer personal data and privacy.

Commissioner Lamb suggested that permittees have a community relations contact who would be available to businesses and residents within 600 feet of the commercial cannabis business; that during the first year of operation, the owners, managers, community relations contact and operators of the businesses attend quarterly meetings with the City Manager. After that the meetings would be as required by the City Manager and noted that is the policy in Culver City.

Commissioner Hinsley expressed concerns regarding the possible concentration of uses in district boundaries such as Torrance Boulevard (separating Districts 1 and 2) and along a part of Artesia Boulevard.

Discussion followed regarding the need for valid state and local permits/licenses, concerns regarding child safety, advertising and personal privacy, restricting the sale of candy (edibles), regulations regarding delivery services, access to surveillance videos, requiring deletion of videos after a given number of days, creating buffers between residential areas and dispensaries, prohibiting driveways onto residential streets, prohibiting deliveries from outside the City and challenges with enforcement, increasing the distance between two similar cannabis businesses, the possibility of limiting owners to have associations with only one license and starting with two cannabis facilities per district.

Community Development Director Forbes noted this will be cash-only businesses and spoke about the importance of security.

Chair Gaddis spoke about the possibility of prohibiting advertising billboards; discussed avoiding locating cannabis businesses along Artesia Boulevard and commented on issues with privacy and records retention.

Commissioner Behrendt reported concerns with access to live surveillance access by the Police and the possibility of overreach in terms of individual privacy; suggested recommending that City Council promote inclusiveness and commercial diversity of operators within the retail cannabis community and to provide an opportunity for smaller, less-established and newer operators while ensuring their competency and limiting licenses to owners/operators who have owned operated four or less cannabis shops.

Chair Gaddis invited comments from the public.

Candace Nafissi spoke about the possibility of requiring businesses to have private security guards.

Joan Irvine reported she provides cannabis education for seniors; noted no legal store will risk losing their license by selling to children; stated there are restrictions in terms of the amount a cannabis an individual can buy at one time; asserted that all stores use age verification and mentioned that children know about what is happening with cannabis.

Motion by Commissioner Behrendt, seconded by Commissioner Boswell, to extend Ms. Irvine's time to comment. Motion carried 7-0.

Ms. Irvine reported that people in the cannabis business have expertise in retail and what it means to be a community member.

Courtney Caron, Attorney, Adamant Law Group, thanked the Commission for having the discussion and allow her to contribute; encouraged Commissioners to visit a shop or research unique operators such as Artist Tree or Haven; felt the City is limiting itself by restricting applications to those who have four stores or less; talked about youth prevention and suggested requiring a youth education and youth prevention plan from each operator.

Motion by Commissioner Hinsley, seconded by Commissioner Lamb, to extend Ms. Caron's time to comment. Motion carried 7-0.

Ms. Carone cautioned against conducting a license process without some form of property requirement; spoke about delays in licensing because of understaffing in particular cities and a lack of understanding of what is necessary for a CUP to be received; noted many operators now accept credit cards and added that states regulate the daily limit a consumer may purchase.

Jonatan Cvetko listed his experience in connection with cannabis and cannabis regulations; spoke about the importance of the City maintaining local control of this issue and passing an ordinance in a timely fashion and commented favorably on the proposed ordinance.

Zein Obagi reported receiving input from older residents in favor of the ordinance; noted lawsuits are inevitable and wondered about funding of those lawsuits.

Kerianne Lawson, Beach Cities Health District, spoke about keeping retail shops away from schools and where kids typically go for lunch, etc.; talked about the message being sent in terms of acceptability of cannabis use and urged the Commission to think about unintended consequences.

Dana Cisneros, Attorney, discussed Proposition 218 and spoke about the land-use component in terms of how a dispensary would fit into a neighborhood and having property requirements.

Planning Analyst Lina Portolese read eComments into the record from Lisa Garland, Michael Garland and Dana Cisneros.

There were no other public comments.

In response to Commissioner Hazeltine's question, Community Development Director Forbes reported the Redondo Beach Police Chief suggested having full-time police surveillance.

Discussion followed regarding prohibiting cannabis shops in the Galleria, conducting quarterly audits by an outside, independent auditor and the possibility of requiring a bond.

Commissioner Hinsley stated he opposes a cannabis facility in or near the Galleria; referenced the General Plan and alleged cannabis retail does not meet permitted uses under regional commercial and agreed with the Steering Committee in terms of removing cannabis businesses from regional commercial zones.

Commissioner Hinsley further referenced the safe paths to school and bus routes and recommended a 600-foot buffer from certain bus routes going to schools.

Commissioner Hinsley commented that the audit requirement seems to focus on just financials, and suggested it should be broader to include operational conditions.

Motion by Commissioner Behrendt, seconded by Commissioner Hinsley, to call for a recess.  
Motion carried 7-0.

#### Recess/Reconvene

Chair Gaddis called a recess at 10:02 p.m. The meeting reconvened at 10:07 p.m. with all Commissioners, present.

Chair Gaddis agreed with prohibiting cannabis retailers in the Galleria or along Artesia Boulevard and discussed a fee of no more than 5% of gross receipts required in the development agreement.

Discussion followed regarding signage requirements, recommending a "subdued" appearance in terms of signage, acceptance of debit/credit cards, the possibility of limiting locations to industrial areas, avoiding price-gouging by landlords, the CC zone (Sea Lab), financial solvency of the operator and industrial areas in the City.

Motion by Commissioner Hinsley, seconded by Commissioner Boswell, to allow public comment for a second time. Motion carried 7-0.

Joan Irvine expressed concerns regarding placing cannabis shops in industrial zones in relation to public safety and stressed that children are not allowed inside cannabis shops.

Commissioners Hazeltine and Boswell noted industrial zones in the City are located in nice neighborhoods and have parking available.

Commissioner Lamb commented on cannabis retail being part of the normal, everyday life, within the next few years.

Jonatan Cvetko noted the Steering Committee learned from the lessons provided by various cities; reported they found that locating cannabis shops in industrial areas was a big mistake because of landlord predatory practices; suggested starting this off as a pilot program; added that most businesses would find cannabis shops to be more viable within commercial zones and spoke about minimizing litigation.

Community Development Director Forbes presented details of additional recommendations to include in the resolution.

Relative to hiring an expert consultant to review and give feedback regarding the ordinance, Commissioner Bowell suggested specifying "a thoroughly vetted consultant with a verifiable track record in the regulatory aspect of the cannabis business" and felt someone in the Steering Committee may be qualified to act as an expert consultant.

Commissioner Hinsley commented on existing language that could be used for Item No. 8 of the recommended changes to the resolution in terms of the definition of ownership/owners.

Senior Deputy City Attorney discussed the definition of ownership in regard to massage parlors.

Discussion followed regarding prohibiting retail cannabis storefronts on Artesia Boulevard and within 600 feet of the entire Beach Cities Bus Line 102 route bus stops, prohibiting cannabis business billboard advertising in the City, setting limits per district or per zip code, starting with smaller organizations versus corporations, avoiding limiting ownership, giving consideration to who will do the best job, City Council's selection process, expanding current audit requirements and appearance requirements.

Discussion continued regarding areas on Artesia Boulevard where cannabis stores may be located, buffer areas around youth centers, schools and daycare facilities, consideration of a buffer around the aquatics center, state mandates regarding 600-foot buffer zones, considerations of liquor stores near daycare facilities, revitalizing Artesia Boulevard and making it "family friendly".

Commissioner Boswell opposed the 24/7 live feed surveillance and the resulting loss of privacy and noted other methods for security.

Discussion followed regarding state security requirements for retail cannabis businesses, avoiding Police overreach, industry standards for security and mirroring the City's requirements to state requirements.

Motion by Commissioner Lamb, seconded by Commissioner Godek, to close the public hearing. Motion carried 7-0, with the following roll call vote:

AYES: Behrendt, Boswell, Godek, Hazeltine, Hinsley, Lamb, Chair Gaddis  
NOES: None  
ABSTAIN: None  
ABSENT: None

Motion by Commissioner Lamb, seconded by Commissioner Godek, to waive further reading of and adopt a resolution by title only subject to the findings contained therein:

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF REDONDO BEACH, CALIFORNIA RECOMMENDING THAT THE CITY COUNCIL ADOPT ORDINANCES AMENDING TITLE 6 BUSINESSES, PROFESSIONS, AND TRADES, TITLE 10 CHAPTER 2 ZONING AND LAND USE, AND TITLE 10 CHAPTER 5 COASTAL LAND USE PLAN IMPLEMENTING ORDINANCE PERTAINING TO CANNABIS REGULATIONS AND RECOMMENDING THAT THE CITY COUNCIL ADOPT CATEGORICAL EXEMPTIONS FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE AMENDMENTS as amended by adding Section 6. Motion carried 7-0, with the following roll call vote:

AYES: Behrendt, Boswell, Godek, Hazeltine, Hinsley, Lamb, Chair Gaddis  
NOES: None  
ABSTAIN: None

ABSENT: None

**K. ITEMS CONTINUED FROM PREVIOUS AGENDAS - NONE**

**L. ITEMS FOR DISCUSSION PRIOR TO ACTION - NONE**

**M. ITEMS FROM STAFF**

Community Development Director Forbes reported City Council will be considering the possibility of returning to in-person meetings.


**N. COMMISSION ITEMS AND REFERRALS TO STAFF**

Commissioner Boswell shared a postcard he received in the mail regarding a cannabis delivery business in the City of Commerce.

**O. ADJOURNMENT**

There being no further business to come before the Commission, Commissioner Hinsley motioned, seconded by Commissioner Godek, to adjourn at 12:45 a.m. on March 4, 2022, to a Planning Commission regular meeting on March 17, 2022, at 6:30 p.m. Motion carried unanimously, without opposition.

All written comments submitted via eComment are included in the record and available for public review on the City website.

  
\_\_\_\_\_  
Brandy Forbes, AICP  
Community Development Director



# Administrative Report

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J.1., File # PC22-3799

Meeting Date: 3/3/2022

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**To: PLANNING COMMISSION**

**From: BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR**

## **TITLE**

PUBLIC HEARING TO CONSIDER ADOPTION OF A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL ADOPT ORDINANCES AMENDING TITLE 6 BUSINESSES, PROFESSIONS, AND TRADES, TITLE 10 CHAPTER 2 ZONING AND LAND USE, AND TITLE 10 CHAPTER 5 COASTAL LAND USE PLAN IMPLEMENTING ORDINANCE OF THE REDONDO BEACH MUNICIPAL CODE PERTAINING TO CANNABIS REGULATIONS AND CONSIDER ADOPTION OF CATEGORICAL EXEMPTIONS FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE AMENDMENTS

## **RECOMMENDATION:**

1. Open Public Hearing, take testimony from staff and other interested parties, and deliberate;
2. Close Public Hearing; and
3. Adopt a resolution by title only subject to the findings contained therein:

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF REDONDO BEACH, CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL ADOPT ORDINANCES AMENDING TITLE 6 BUSINESSES, PROFESSIONS, AND TRADES, TITLE 10 CHAPTER 2 ZONING AND LAND USE, AND TITLE 10 CHAPTER 5 COASTAL LAND USE PLAN IMPLEMENTING ORDINANCE PERTAINING TO CANNABIS REGULATIONS AND RECOMMENDING THAT THE CITY COUNCIL ADOPT CATEGORICAL EXEMPTIONS FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE AMENDMENTS

## **EXECUTIVE SUMMARY**

When the Medical Marijuana Regulation and Safety Act (MMRSA), regulating the use of marijuana for medical purposes, took effect January 1, 2016 the City of Redondo Beach adopted Ordinance 3152 to implement local MMRSA regulations. On November 8, 2016, Proposition 64, known as the Adult Use of Marijuana Act (AUMA), was approved by state voters. The AUMA regulates, among other items, the use of marijuana for personal and commercial purposes, including the recreational use of marijuana by adults over 21 years of age.

Proposition 64 stipulated that if a city did not enact local commercial licensing restrictions or a ban by January 1, 2018, a valid state license would be the only thing needed to open and operate a commercial marijuana business in any commercial zone in the city. Therefore, out of caution and until local regulations and interests could be analyzed and identified for implementation, the City of Redondo Beach adopted ordinances to regulate the personal use and cultivation of cannabis and

restrict commercial cannabis activities in the City.

In order to analyze and identify the cannabis regulations appropriate for Redondo Beach, a steering committee was appointed by the City Manager comprised of representatives from the law enforcement community, RBUSD, BCHD, and other outside interest groups familiar with common best practices for commercial use regulations of cannabis including storefront siting, taxation, delivery, and development agreement options.

The Steering Committee met multiple times over several years, and on October 5, 2021 presented their work and recommendations to the City Council. After considering the presentation, the City Council asked staff to prepare an ordinance based on the recommendations of the CSC, and directed that the Galleria site be included as a permitted location and that the taxation level or developer fee rate be set at 5%. Additionally, Council asked staff to return with maps that identified the storefront siting parameters recommended by the CSC, and include buffers for alcohol sales sites and “safe routes to schools” pathways.

On January 18, 2022 City Council reviewed the maps and gave additional direction on the critical provisions and siting parameters to be included in the City’s Ordinance.

Following Council direction, staff prepared the draft ordinances for Planning Commission review and input.

## **BACKGROUND**

California’s history of cannabis law spans nearly 25 years of propositions and regulatory actions (see attached). More recently, the Medical Marijuana Regulation and Safety Act (MMRSA) that took effect January 1, 2016 regulated the use of marijuana for medical purposes. The City of Redondo Beach adopted Ordinance 3152 which promulgated local regulations in accordance with MMRSA, effective May 5, 2016.

On November 8, 2016, Proposition 64 was adopted by CA voters, titled the Adult Use of Marijuana Act (AUMA). The AUMA regulates the use of marijuana for personal and commercial purposes, including the recreational use of marijuana by adults over 21 years of age, thus expanding the permissions provided by MMRSA. The AUMA permits cities to “reasonably regulate” without completely prohibiting cultivation of marijuana inside a private residence or inside an accessory structure to a private residence, within the limits allowed by the State for personal cultivation.

In Redondo Beach, 65% of the voters were in favor of Proposition 64. Although Proposition 64 represented the interest of whether to allow the Adult Use of Marijuana Act, it did not specify how an individual municipality would regulate the commercial aspects of marijuana sales. The State’s commercial provisions of AUMA were to take effect on January 1, 2018, requiring a city to disallow commercial marijuana activities in order to ensure that local regulations are promulgated and local control maintained. If a local governing body did not enact such a commercial ban by January 1, 2018, a valid State license would be the only requirement to open and operate a commercial marijuana business in any commercial zone in that city. Therefore, out of caution, and until local regulations and interests could be analyzed, the City of Redondo Beach adopted ordinances to



regulate the personal use and cultivation of cannabis, as well as restrict commercial cannabis activities in the City of Redondo Beach. This was an interim measure to prohibit cannabis businesses until the City could better evaluate what types of businesses and regulations to put in place.

One of the prior objectives included in the City Council's adopted Strategic Plan included the City Manager's appointment of a Cannabis Steering Committee (CSC) comprised of law enforcement, RBUSD, BCHD, and outside interest groups to review best practices for commercial use regulations of cannabis, including storefront siting, taxation, delivery, and development agreement options, and to prepare a report for Planning Commission and City Council consideration. Members of the Redondo Beach Police Department, Fire Department, Community Development Department, and the City Treasurer's Office met jointly in support of the work of the CSC.

The CSC met a total of 12 times from November 2018 through October 2021, with their final recommendations presented to City Council on October 5, 2021. After discussion of the CSC's work and recommendations, City Council directed staff to draft an ordinance based on the recommendations of the CSC for regulating cannabis licenses in Redondo Beach. Additionally, the Council directed that the Galleria site be included as a permitted location and the taxation or ultimate developer's fee rate be set at 5%. The Council also directed staff to prepare maps with the siting parameters recommended by the CSC, and that the maps include buffers for alcohol sales sites and safe routes to schools.

At the January 18, 2022 meeting, City Council reviewed the potential buffer maps and provided additional direction for Planning Commission review. The Council asked that the ordinances, maps, and commercial licensee selection process, once drafted, be reviewed by the Planning Commission for recommendations to the City Council and that a community outreach process also be conducted.

The draft ordinances were prepared by the Community Development Department and City Attorney's Office, and are before the Planning Commission for review and recommendation to City Council. The key provisions incorporated in the draft ordinances, including the recommendations from the CSC that City Council agreed to, are as follows:

- **Personal Cultivation.** Continue to allow for outdoor personal cultivation as currently regulated for a maximum of 6 plants allowed indoors and in yard area if secured and not visible from surrounding sites.
- **Allow Licensed Activity.** Permit licensed cannabis businesses with recommended restrictions (see remaining items in the list below).
- **License Types.** Allow only storefront retailer licenses (Type 10) and non-storefront retailer delivery licenses (Type 9) or a combination of the two on one site. Prohibit delivery services that originate from other cities if a non-storefront delivery license is issued in Redondo Beach.
- **Zoning Provisions.** Limit cannabis license sites to commercial and industrial zones. Prohibit licenses in coastal commercial, residential, and public/institutional zones. (CSC had initially recommended prohibiting in regional commercial zone where Galleria is located, but City Council directed staff to add that as an acceptable zone). Require discretionary Conditional Use Permit (CUP) approval.

- **Buffers.** Maintain a 600-foot radius from elementary schools, day cares, and youth centers (per State’s mandate). Increase the buffer zone to a 1500-foot radius from high schools and middle schools. School buffers to include private schools. City Council requested that Planning Commission consider implications of buffer around residential.
- **Number and Location of Licenses.** Allow up to two (2) sites within the City, with a maximum of one site per district. Establish a 1000-foot buffer between cannabis licensed sites.
- **Hours of Operation.** The State allows retail activities between the hours of 6 a.m. and 10 p.m. Local jurisdictions can be more restrictive. Limit hours to the following:
  - Storefront Retail Sales - 9 a.m. to 10 p.m.
  - Non-storefront Delivery - 6 a.m. to 10 p.m.
- **Security.** In addition to State security requirements, include the following security measures:
  - All security personnel to be vetted through the Redondo Beach Police Department (RBPD) or a certified 3rd party.
  - Regarding surveillance, the licensee must provide real time direct access to all surveillance.
  - Alarm systems to be set to send real time immediate messages to RBPD.
  - Regarding safety, requirements to better define “secure storage of cannabis and cannabis products” as well as onsite revenue.
  - The licensee to provide measures to ensure a minor doesn’t enter, requiring ID checks and providing appropriate signage.
  - For delivery, licensee to provide a signature for receipt and that those records be maintained on file for auditing purposes.
- **Enforcement.** The CSC recommends the City implement the Cannabis Compliance and Enforcement Program. The Los Angeles County Department of Public Health has created a relatively new program entitled the Cannabis Compliance and Enforcement Program, where the County contracts with cities that allow for cannabis activities. The program aims to further protect public health but has the additional benefit of being an effective enforcement tool against illegal operators who are unable to apply for the permit and subsequently violate Public Health Department Codes.
- **Tax or Fees.** Establish a Developer Agreement with developer fees and consider sunsetting it with an eventual tax measure.
- **Tax or Fee Rate.** Set fee at 5%. (CSC had initially recommended reviewing neighboring jurisdictions, which the City Council did and selected 5%).
- **Tax or Fee Revenue Location.** General Fund.
- **Property Requirement.** Do not require applicant to secure property prior to the application process.
- **Selection Process.** City Council to determine the licensee solicitation and selection process at a future date separate from the Ordinance. (This may come back to Planning Commission for input if City Council continues with that direction).
- **Transfer of Ownership.** Limit transferability of a developer agreement and/or license for a set period of time.
- **Adoption of Regulations.** Adopt ordinances to effectuate decisions.

Attached to the report is the buffer map with the 600’ and 1500’ restrictions. Planning Commission can utilize these maps to see the proximity to residential to determine if there might be an effective way to buffer residential.

Included in the agenda packet is a resolution to recommend the draft ordinance revisions that incorporate the CSC's recommendations and City Council's direction. This agenda item is for the Planning Commission to consider adoption of resolutions recommending that the City Council adopt ordinances amending Title 6 Businesses, Professions, and Trades, Title 10 Chapter 2 Zoning and Land Use, and Title 10 Chapter 5 Coastal Land Use Plan Implementing Ordinance of the Redondo Beach Municipal Code and consider adoption of categorical exemptions from the California Environmental Quality Act (CEQA).

**COORDINATION**

This agenda item and draft regulations were prepared by the Community Development Department in coordination with the City Attorney's Office.

**ATTACHMENTS**

Draft Resolution

Text of Amendments

Administrative Report on Cannabis Steering Committee Update from October 5, 2021 City Council Meeting

Presentation on Cannabis Steering Committee Update from October 5, 2021 City Council Meeting  
Cannabis Map Final-Buffers 2022-01-12

**J.1. PUBLIC HEARING TO CONSIDER ADOPTION OF A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL ADOPT ORDINANCES AMENDING TITLE 6 BUSINESSES, PROFESSIONS, AND TRADES, TITLE 10, CHAPTER 2 ZONING AND LAND USE, AND TITLE 10, CHAPTER 5 COASTAL LAND USE PLAN IMPLEMENTING ORDINANCE OF THE REDONDO BEACH MUNICIPAL CODE PERTAINING TO CANNABIS REGULATIONS AND TO CONSIDER ADOPTION OF CATEGORICAL EXEMPTIONS FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

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REDONDO BEACH PLANNING COMMISSION MEETING

MARCH 3, 2022



# CANNABIS REGULATORY BACKGROUND

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- California's history of cannabis law spans nearly 25 years
- Medical Marijuana Regulation and Safety Act - Effective January 1, 2016
  - Redondo Beach adopted Ordinance 3152 for local regulations regarding medical marijuana
- Proposition 64 for Adult Use of Marijuana Act - Approved November 8, 2016
  - Redondo Beach adopted Ordinances to regulate the personal use and cultivation of cannabis, as well as restrict commercial cannabis activities in the City of Redondo Beach. This was an interim measure to prohibit cannabis businesses until the City could better evaluate what types of businesses and what regulations to put in place.

# REDONDO BEACH STRATEGIC PLANNING REGARDING CANNABIS

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## **City Council's prior adopted Strategic Plan Objective:**

- City Manager's appointment of a steering committee comprised of law enforcement, Redondo Beach Unified School District, Beach Cities Health District, and outside interest groups
- Purpose to review best practices for commercial use regulations of cannabis:
  - Storefront siting
  - Taxation
  - Delivery
  - Development agreement options
  - Conclude with a report for Planning Commission and City Council consideration.

## **City Council's current adopted Strategic Plan Objective:**

- Finalize cannabis ordinance by July 1, 2022
- Ordinance to be based on policy direction confirmed by City Council on January 18, 2022

# CANNABIS STEERING COMMITTEE CONSIDERATIONS

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- The CSC met 12 times from November 13, 2018 through October 5, 2021, reviewing a variety of questions geared toward building an ordinance using best practices
- The CSC's recommendations intended to:
  - prioritize public health and safety
  - consider a wealth of challenges experienced by other jurisdictions
  - mitigate and limit potential liabilities against the City implementing a local ordinance
- The CSC finds that the most responsible approach to local regulations
  - first address the immediate concerns and needs of the community
  - allow the greatest flexibility and local control in regulating
  - only expanding after success in the initial implementation

• The recommendations to City Council on October 5, 2021 reflect this intent.

# CANNABIS POLICY INCLUDED IN ORDINANCE

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- **Personal Cultivation.** Continue to allow for outdoor personal cultivation as currently regulated.
- **License Types.** Allow only storefront retailer licenses (Type 10) and non-storefront retailer delivery licenses (Type 9) or a combination of the two on one site.
- **Zoning Provisions.** Limit cannabis license sites to commercial and industrial zones. Prohibit licenses in coastal commercial, residential, and public/institutional zones. Require discretionary Conditional Use Permit (CUP) approval.
- **Buffers.** Maintain a 600-foot radius from elementary schools, day cares, and youth centers (per State's mandate). Increase the buffer zone to a 1500-foot radius from high schools and middle schools. School buffers to include private schools. City Council requested that Planning Commission consider implications of buffer around residential.



# CANNABIS POLICY INCLUDED IN ORDINANCE (Cont.)

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- **Number and Location of Licenses.** Up to two (2) sites within the City, with a maximum of one site per district. Establish a 1000-foot buffer between cannabis licensed sites.
- **Hours of Operation.** The State allows retail activities between the hours of 6 a.m. and 10 p.m. Local jurisdictions can be more restrictive. Limit hours to the following:
  - Storefront Retail Sales - 9 a.m. to 10 p.m.
  - Non-storefront Delivery - 6 a.m. to 10 p.m.
- **Security.** In addition to State security requirements, the City added additional security measures.
- **Enforcement.** City Council to implement Cannabis Compliance and Enforcement Program.

# CANNABIS POLICY INCLUDED IN ORDINANCE (Cont.)

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- **Tax or Fees.** Establish a Developer Agreement with developer fees and consider sunseting it with an eventual tax measure. Revenue generated would go into the General Fund.
- **Tax or Fee Rate.** Set fee at 5%.
- **Tax or Fee Revenue Location.** General Fund.
- **Property Requirement.** Do not require applicant to secure property prior to application.
- **Selection Process.** City Council to determine the licensee solicitation and selection process at a future date separate from the Ordinance.
- **Transfer of Ownership.** Limit transferability of a developer agreement and/or license for a set period of time.
- **Adoption of Regulations.** Adopt ordinances to effectuate decisions.

# RECOMMENDATION

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Public hearing for Planning Commission to consider adoption of a resolution recommending that the City Council adopt ordinances amending Title 6 Businesses, Professions, and Trades, Title 10 Chapter 2 Zoning and Land Use, and Title 10 Chapter 5 Coastal Land Use Plan Implementing Ordinance of the Redondo Beach Municipal Code and consider adoption of categorical exemptions from the California Environmental Quality Act (CEQA).

Procedure:

1. Open public hearing, take testimony from staff and other interested parties, and deliberate.
2. Close public hearing.
3. Adopt a resolution by title only subject to the findings contained therein.

# Advertising Order Confirmation

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<u>Sales Representative</u> Pauline Fernandez	<u>Customer Account</u> 5007813	<u>Payor Account</u> 5007813	<u>Ordered By</u> Laura.Diaz@redondo.org
<u>Order Taker</u> Tammy Butikofer	<u>Customer Address</u> ATTN CITY CLERKS OFFICE. PO BOX 270 REDONDO BEACH, CA 90277	<u>Payor Address</u> ATTN CITY CLERKS OFFICE. PO BOX 270 REDONDO BEACH, CA 90277	<u>Customer Fax</u>
<u>Order Source</u> Select Source	<u>Customer Phone</u> 310-318-0601	<u>Payor Phone</u> 310-318-0601	<u>Customer EMail</u> nicholette.garcia@redondo.org ; Vickie.Kroneberg
<u>Current Queue</u> Ready	<u>Invoice Text</u>		
<u>Tear Sheets</u> 0	<u>Affidavits</u> 0	<u>Blind Box</u> _____	<u>Materials</u> _____
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# Advertising Order Confirmation

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		Legal Liner				



## NOTICE OF PUBLIC HEARING BEFORE THE CITY COUNCIL

NOTICE IS HEREBY GIVEN THAT A PUBLIC HEARING WILL BE HELD BEFORE THE CITY COUNCIL OF THE CITY OF REDONDO BEACH ON THE FOLLOWING MATTER. ANY AND ALL INTERESTED PERSONS MAY APPEAR AND BE HEARD.

**SUBJECT OF THE HEARING:** Public hearing to consider ordinances amending Title 6, Businesses, Professions, and Trades and Title 10 Chapter 2 Zoning and Land Use of the Redondo Beach Municipal Code pertaining to regulations for cannabis retail sales. The City Council will also consider categorical exemptions from the California Environmental Quality Act (CEQA) under CEQA Section 15060(c)(2) and Section 15060(c)(3) for the proposed amendments.

**PUBLIC HEARING:** The public hearing on this matter will take place before the City Council on **Tuesday, August 16, 2022 at 6:00 p.m.**, or as soon thereafter as possible, in the Redondo Beach City Council Chamber, 415 Diamond Street, Redondo Beach, California, or for public participation by Virtual Meeting. The meeting will also be livestreamed on the City's website at [www.redondo.org/RBTV](http://www.redondo.org/RBTV), YouTube at <https://www.youtube.com/c/CityofRedondoBeach117>, and broadcast live through Spectrum Channel 8 and Frontier Communications Channel 41. Members of the public may participate during the meeting as outlined below.

**PUBLIC COMMENT:** There will be three options for public testimony during the meeting:

1. In person oral testimony can be provided by attending the meeting in the City of Redondo Beach City Council Chamber at the address noted above.
2. Interested persons may submit a written eComment through the City's agenda webpage at <https://redondo.legistar.com/Calendar.aspx>. Specific instructions for eComment will be provided on the agenda cover page when it is released at least 72 hours prior to the meeting. eComments may be read out loud by City staff during the public hearing and are limited to 3 minutes in length (up to 2200 characters). Only one eComment per person.
3. Oral public testimony can be provided live by joining the virtual Zoom meeting by computer or phone-in. Registration is required. The registration link will be provided on the agenda coversheet when it is released at least 72 hours prior to the meeting. A person may either comment live or submit an eComment, but cannot do both.

For those that cannot participate during the public hearing, written comments for the City Council on this matter may be submitted by email to [PlanningRedondo@redondo.org](mailto:PlanningRedondo@redondo.org). Written comments will be accepted up to 3:00 p.m. the day of the public hearing, August 16, 2022, to allow time for distribution.

# Advertising Order Confirmation

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Page 4

meeting, August 16, 2022, to allow time for distribution to the City Council as a Blue Folder item.

**ADDITIONAL INFORMATION:** Questions related to this matter may be submitted by email to [PlanningRedondo@redondo.org](mailto:PlanningRedondo@redondo.org). A staff member will provide assistance.

The agenda packet with the administrative report and materials related to this matter will be available for review at least 72 hours prior to the public hearing, pursuant to State Law and local ordinance, on the City of Redondo Beach website <https://redondo.legistar.com/Calendar.aspx>. Select the August 16, 2022 City Council meeting.

The draft amendments are also provided for review to the California Coastal Commission South Coast Area Office consistent with Title 14, Cal. Code Regs. Section 13515 at least 72 hours prior to the public hearing.

If you challenge this matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

**CITY OF REDONDO BEACH, CALIFORNIA**  
Eleanor Manzano  
City Clerk of the City of Redondo Beach

Pub Aug 6, 2022 Daily Breeze Ad# 11552719

<u>Product</u>	<u>Requested Placement</u>	<u>Requested Position</u>	<u>Run Dates</u>	<u># Inserts</u>
Daily Breeze	Legals CLS	General - 1076~	08/06/22	1

<b>Order Charges:</b>	<u>Net Amount</u>	<u>Tax Amount</u>	<u>Total Amount</u>	<u>Payment Amount</u>	<u>Amount Due</u>
	784.90	0.00	784.90	0.00	<b>\$784.90</b>

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I hereby authorize publication of the above described advertising.

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