



**AGENDA SUMMARY
SPECIAL PLANNING COMMISSION MEETING
TUESDAY, MAY 31, 2016
6:00 P.M.
ARROYO GRANDE CITY COUNCIL CHAMBERS
215 E. BRANCH STREET, ARROYO GRANDE**

1. CALL TO ORDER:

2. ROLL CALL

3. FLAG SALUTE:

4. AGENDA REVIEW:

The Commission may revise the order of agenda items depending on public interest and/or special presentations.

5. COMMUNITY COMMENTS AND SUGGESTIONS:

This public comment period is an invitation to members of the community to present issues, thoughts, or suggestions on matters not scheduled on this agenda. Comments should be limited to those matters that are within the jurisdiction of the Planning Commission. The Brown Act restricts the Commission from taking formal action on matters not published on the agenda. The Commission requests that public comment be limited to three (3) minutes and be accompanied by voluntary submittal of a "speaker slip" to facilitate meeting organization and preparation of the minutes.

6. WRITTEN COMMUNICATIONS:

Correspondence or supplemental information for the Planning Commission received after Agenda preparation. In compliance with the Brown Act, the Commission will not take action on correspondence relating to items that are not listed on the Agenda, but may schedule such matters for discussion or hearing as part of future agenda consideration.

7. CONSENT AGENDA:

7.a. APPROVAL OF MINUTES

None

8. PUBLIC HEARINGS:

**8.a. CONSIDERATION OF DEVELOPMENT CODE AMENDMENT CASE NO. 16-02;
AMENDING TITLES 5 AND 16 OF THE ARROYO GRANDE MUNICIPAL CODE
RELATING TO MEDICAL MARIJUANA CULTIVATION AND MEDICAL MARIJUANA
DELIVERY SERVICES**

Recommended Action: It is recommended that the Planning Commission adopt a Resolution recommending that the City Council adopt an ordinance amending Sections 16.62.010 and 16.62.050 of Title 16 of the Arroyo Grande Municipal Code relating to medical marijuana cultivation and amending Section 16.62.070 and adding Chapter 5.95 to Title 5 relating to deliveries of medical marijuana or medical cannabis products.

Documents: [PC 05-31-16 DCA 16-02 Medical Marijuana Citywide.pdf](#)

9. NON-PUBLIC HEARING ITEMS

None.

10. NOTICE OF ADMINISTRATIVE DECISIONS SINCE MAY 17, 2016:

This is a notice of administrative decision for Minor Use Permits, including any approvals, denials or referrals by the Community Development Director. An administrative decision must be appealed or called up for review by the Planning Commission by a majority vote.

None.

11. COMMISSION COMMUNICATIONS:

Correspondence/Comments as presented by the Planning Commission.

12. STAFF COMMUNICATIONS:

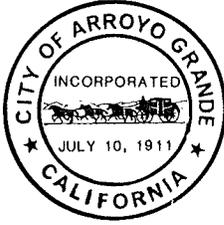
Correspondence/Comments as presented by the Community Development Director.

13. ADJOURNMENT

All staff reports or other written documentation, including any supplemental material distributed to a majority of the Planning Commission within 72 hours of a regular meeting, relating to each item of business on the agenda are available for public inspection during regular business hours in the Community Development Department, 300 E. Branch Street, Arroyo Grande. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disabilities Act. To make a request for disability-related modification or accommodation, contact the Legislative and Information Services Department at 805-473-5414 as soon as possible and at least 48 hours prior to the meeting date.

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MEMORANDUM

TO: PLANNING COMMISSION

**FROM: TERESA MCCLISH, COMMUNITY DEVELOPMENT DIRECTOR
STEVEN ANNIBALI, POLICE CHIEF
DAVID HIRSCH, ASSISTANT CITY ATTORNEY**

**SUBJECT: DEVELOPMENT CODE AMENDMENT CASE NO. 16-002 AMENDING
TITLES 5 AND 16 OF THE ARROYO GRANDE MUNICIPAL CODE
RELATING TO MEDICAL MARIJUANA CULTIVATION AND MEDICAL
MARIJUANA DELIVERY SERVICES**

DATE: MAY 31, 2016

RECOMMENDATION:

It is recommended that the Planning Commission adopt a Resolution recommending that the City Council adopt an ordinance amending Sections 16.62.010 and 16.62.050 of Title 16 of the Arroyo Grande Municipal Code relating to medical marijuana cultivation and amending Section 16.62.070 and adding Chapter 5.95 to Title 5 relating to deliveries of medical marijuana or medical cannabis products.

FINANCIAL IMPACT:

Implementation of the proposed ordinance will impact staff resources to develop, permit and enforce regulations. Should Council adopt the proposed ordinance, staff will return with fee information associated with permitting deliveries of medical marijuana in order to offset permitting costs. This item is not identified in the Critical Needs Action Plan.

BACKGROUND:

On October 9, 2015, Gov. Jerry Brown signed a comprehensive package of bills to establish a regulatory structure for medical marijuana. Together, AB 266, AB 243, and SB 643 comprise the Medical Marijuana Regulation & Safety Act (MMRSA). On November 24, 2015, the City Council considered implications of the MMRSA regarding local control and directed staff to prepare an ordinance prohibiting cultivation, delivery and all commercial medical marijuana uses.

On December 1, 2015 the Planning Commission held a public hearing and on a 3-2 vote, adopted Resolution No. 15-2241 recommending that the City Council adopt an ordinance adding Chapter 16.62 to Title 16 of the Arroyo Grande Municipal Code relating to medical marijuana dispensaries, cooperatives and collectives, cultivation of medical marijuana, and deliveries of medical marijuana or medical cannabis products. The Commission commented that specific review and re-evaluation of banning all cultivation should be considered in the future.

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CONSIDERATION OF AMENDING TITLES 5 AND 16 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA CULTIVATION AND MEDICAL MARIJUANA DELIVERY SERVICES

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On January 12, 2016 and January 24, 2016 respectively, the Council introduced and adopted the proposed ordinance acknowledging that alternatives may be considered in the future but that the ordinance provided an opportunity to maintain local control given the language in the legislation pertaining to a March 1, 2016 effective deadline. To ensure clarity and consistency for purposes of enforcement, and to ensure local control in consideration of evolving legislation, the adopted ordinance expressly made clear that cultivation and all medical marijuana dispensaries, cooperatives and collectives are prohibited on all parcels in the City. Enforcement of the Ordinance is on a complaint basis through the Neighborhood Services Division.

On March 8, 2016, the Council directed staff to revise the ordinance to allow limited amounts of personal cultivation and limited delivery services.

ANALYSIS OF ISSUES:

The draft ordinance developed for limited personal cultivation provides for a 50 sq. ft. area with a 10 ft. height limit within a single family residence. It has been crafted to include other restrictions in an attempt to avoid ambiguity and problems with potential neighborhood nuisance issues. Additionally, regulations are included in the draft ordinance to allow a small number of delivery services through a permit system. In this respect, applicants can be screened and regulations applied and enforced.

Cultivation

Testimony at previous Council hearings expressed concerns and requests related to the ability to legally grow marijuana for medical use. Many communities allow limited cultivation by regulating either the area or number of plants that may be cultivated on a property. The proposed ordinance generally includes provisions that marijuana may be cultivated in accordance with the following provisions:

- ❖ it is for the personal use of a qualified patient;
- ❖ it is located inside a detached single family dwelling but not within a kitchen, bathroom or occupied bedroom;
- ❖ an area no more than 50 sq. ft. and 10 ft. in height may be devoted for cultivation;
- ❖ there is compliance with the California building codes;
- ❖ it is not visible from the exterior of the property;
- ❖ lighting for the use is limited;
- ❖ flammable or combustible materials are prohibited for its use; and

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- ❖ it shall not adversely affect the health or safety of the occupants of other property in the vicinity and shall not be maintained in a manner so as to constitute a hazard.

Additionally, landlords may prohibit medical marijuana cultivation by tenants. The provisions are intended to allow reasonable area and restrictions to allow cultivation for personal medical use yet reduce potentially significant nuisance issues and consequent enforcement issues that may remain a concern for community residents. The enforcement will remain on a complaint basis.

Deliveries:

One of the provisions in the newly enacted MMRSA, Business and Professions Code section 19340, addresses delivery of marijuana to qualified patients by dispensaries that will be licensed under the new regulations. The statute requires persons who deliver the medical marijuana to carry a copy of the dispensary's license(s) that authorizes the dispensary to deliver, and the delivery person's government-issued identification card (e.g., driver's license). The new State law also requires the dispensary to maintain a copy of the patient's request for delivery in compliance with federal and state laws regarding protecting confidential medical information, and such copies must be made available to law enforcement for inspection upon request. The recipient of the delivery, either the qualified patient or the primary caregiver, must also maintain a copy of the delivery request, to be made available to law enforcement upon request. It is expected that the State will adopt regulations to implement the new scheme for licensing medical marijuana dispensaries by January, 2018. It is also anticipated that the new regulations will address deliveries.

There are a number of considerations relating to deliveries. First, under current law a primary caregiver may deliver medical marijuana to a qualified patient. Primary caregivers, however, are narrowly defined by the courts and must be actively involved in a patient's care and not just providing marijuana. Second, in other jurisdictions that have marijuana dispensaries operating lawfully, the issue of delivery to qualified patients and primary caregivers in neighboring cities might be addressed by the City requiring that they obtain a permit from the City to deliver medical marijuana in the City. There are, however, no legal dispensaries in the San Luis Obispo area, so this approach doesn't work for Arroyo Grande. There are, however, a number of medical marijuana delivery services that operate in our area. Delivery services currently operate in a legal gray area, and through the fiction that they are cooperatives or collectives and are just delivering to members/participants in the cooperative or collective. In this respect the marijuana can only be delivered to a qualified patient. Under the new MMRSA, however, at some point the concept of medical marijuana collectives and cooperatives will eventually be eliminated from the law, when the new laws are implemented by the State. Again, however, this isn't expected until approximately

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January, 2018. Until that time delivery services will continue to operate as they currently do.

Accordingly, the draft ordinance has been structured to regulate the manner of delivery, which will allow law enforcement to easily distinguish a lawful delivery of marijuana from a delivery of marijuana that may be part of an unlawful enterprise. Furthermore, by implementing a permit scheme, the City is able to control who engages in delivery of marijuana, both through issuing a permit, and revoking a permit, if necessary.

The proposed ordinance will provide for procedures to select up to three delivery services that will be permitted to make deliveries of medical marijuana in the City, provided that they meet standards set forth in the Ordinance to protect the health and safety of the community and provided that drivers who deliver medical marijuana receive permits after appropriate background checks conducted by the Arroyo Grande Police Department. The permit consideration includes fairly rigorous criteria that applicants must address including their experience, safety procedures, recordkeeping, quality of their product including testing, labeling and packaging. Additionally, the proposed ordinance includes provisions for insurance and revocation procedures.

Staff received comments and recommendations from a delivery service company, several of which are incorporated into the proposed ordinance (Attachment 1). Some items to consider include the proposed delivery time restriction to allow deliveries only from 10am -7pm and restricting the location of deliveries to areas outside a radius of 1,000 ft. from schools, public libraries, day care or youth facilities or park and recreations facilities. Although such restrictions may considerably decrease potential nuisance problems and help ensure public safety, they also may make it more challenging for some qualified patients to receive deliveries.

ALTERNATIVES:

- Recommend that the City Council introduce the proposed ordinance;
- Modify and recommend that the City Council introduce the proposed ordinance;
- Recommend that the City Council do not introduce the proposed ordinance;
- Direct Staff to hold-off on the revised ordinance until after November 2016;
- Provide other direction to Staff.

ADVANTAGES:

Adoption of the proposed ordinance would provide some opportunity for residents to legally obtain or grow medical cannabis in the City limits for the purposes of medical application. It also continues to preserve the authority of City with regard to zoning powers and local actions taken in accordance with the police power under the State Constitution.

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DISADVANTAGES:

Adoption of the proposed ordinance may cause concerns including the potential public nuisances caused by medical marijuana cultivation, as well as safety concerns in their neighborhoods related to both cultivation and delivery. However, the regulations allow for fairly strict limitations in order to address these concerns.

ENVIRONMENTAL REVIEW:

The proposed ordinance is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

PUBLIC NOTIFICATION:

The Agenda was posted in front of City Hall on Thursday, May 26, 2016. The Agenda and report were posted on the City's website on Friday, May 27, 2016.

Attachment:

1. Elite Care CA – Proposed Requirements for Medical Marijuana DELIVERY Service

RESOLUTION NO.

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ARROYO GRANDE RECOMMENDING THAT THE CITY COUNCIL AMEND SECTIONS 16.62.010 AND 16.62.050 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA CULTIVATION AND AMENDING SECTION 16.62.070 AND ADDING CHAPTER 5.95 TO TITLE 5 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA DELIVERY SERVICES

WHEREAS, three bills were enacted by the State of California Legislature in 2015 and signed by the Governor on October 9, 2015, that comprise the Medical Marijuana Regulation and Safety Act (MMRSA): AB 243 (Chapter 688, Statutes of 2015); AB 266 (Chapter 689, Statutes of 2015); and SB 643 (Chapter 719, Statutes of 2015); and

WHEREAS, the MMRSA expressly preserves the authority of cities with regard to their zoning powers and local actions taken in accordance with the police power under the State Constitution; and

WHEREAS, the MMRSA also contains language that provides that if delivery services are to be prohibited, it must be expressly prohibited by local ordinance, if a City wishes to do so; and

WHEREAS, on January 26, 2016 the City Council of the City of Arroyo Grande adopted Ordinance No. 675 which added Chapter 16.62 to Title 16 of the Arroyo Grande Municipal Code prohibiting medical marijuana dispensaries, cooperatives and collectives, and deliveries of medical marijuana, and the cultivation of marijuana within the City; and

WHEREAS, the prohibition on deliveries was based upon the City's prior prohibition of mobile marijuana dispensaries and the MMRSA's provision that any prohibition of delivery services must be expressly provided by local ordinance; and

WHEREAS, the City Council has subsequently determined that it is appropriate and desirable to allow limited and strictly regulated deliveries of medical marijuana and provide that such deliveries are only permitted by licensed services;

WHEREAS, the MMSRA otherwise contains provisions providing for local regulations relating to delivery of medical marijuana; and

WHEREAS, the proposed Ordinance will add provisions to the Arroyo Grande Municipal Code that will provide procedures to select up to three delivery services that will be permitted to make deliveries of medical marijuana in the City, provided that they meet standards set forth in the Ordinance to protect the health and safety of the community and provided that drivers who deliver medical marijuana receive permits after appropriate background checks conducted by the Arroyo Grande Police Department; and

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WHEREAS, the proposed Ordinance will also amend Chapter 16.62.050 of the Arroyo Grande Municipal Code to permit limited cultivation of medical marijuana as further set forth in the proposed ordinance; and

WHEREAS, the Planning Commission has considered the proposed Ordinance approving Development Code Amendment 16-002 at a duly noticed public hearing on May 31, 2016; and

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Arroyo Grande hereby recommends the City Council adopt an Ordinance approving Development Code Amendment No. 16-002, amending portions of Titles 5 and 16 of the AGMC regarding medical marijuana, a copy of which is attached hereto as Exhibit 'A' and incorporated herein by this reference;

On a motion by Commissioner _____, seconded by Commissioner _____ and by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

the foregoing Resolution was adopted this 31st day of May 2016.

ATTEST:

DEBBIE WEICHINGER
SECRETARY TO THE COMMISSION

LAN GEORGE, CHAIR

AS TO CONTENT:

TERESA McCLISH
DIRECTOR OF COMMUNITY DEVELOPMENT

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING SECTIONS 16.62.010 AND 16.62.050 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA CULTIVATION AND AMENDING SECTION 16.62.070 AND ADDING CHAPTER 5.95 TO TITLE 5 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO MEDICAL MARIJUANA DELIVERY SERVICES

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WHEREAS, the prohibition on deliveries was based upon the City's prior prohibition of mobile marijuana dispensaries and the MMRSA's provision that any prohibition of delivery services must be expressly provided by local ordinance; and

WHEREAS, the City Council has subsequently determined that it is appropriate and desirable to allow limited and strictly regulated deliveries of medical marijuana and provide that such deliveries are only permitted by licensed services;

WHEREAS, the MMSRA otherwise contains provisions providing for local regulations relating to delivery of medical marijuana; and

WHEREAS, this Ordinance will add provisions to the Arroyo Grande Municipal Code that will provide procedures to select up to three delivery services that will be permitted to make deliveries of medical marijuana in the City, provided that they meet standards set forth in the Ordinance to protect the health and safety of the community and

provided that drivers who deliver medical marijuana receive permits after appropriate background checks conducted by the Arroyo Grande Police Department; and

WHEREAS, the City Council also desires to amend Chapter 16.62.050 of the Arroyo Grande Municipal Code to permit limited cultivation of medical marijuana as further set forth in this ordinance; and

WHEREAS, the City Council of the City of Arroyo Grande hereby makes the following findings regarding the unregulated cultivation of medical marijuana within the boundaries of the City:

A. The unregulated cultivation of medical marijuana can adversely affect the health, safety and well-being of the City and its residents. Unregulated medical marijuana cultivation increases the risk of criminal activity, degradation of the natural environment, excessive use of electricity which may overload standard electrical systems, and damage to buildings in which cultivation occurs, including improper and dangerous electrical alterations and use, increased risk of fire and fire-related hazards, inadequate ventilation, increased occurrences of home-invasion robberies and similar crimes. Medical marijuana cultivation also creates increased nuisance impacts to neighboring properties because of the strong, malodorous, and potentially noxious odors which come from the plants. Further, the indoor and outdoor cultivation of medical marijuana in or near residential zones increases the risk of such activity and intrudes upon residential uses. Accordingly, except for limited indoor cultivation as provided in this Ordinance, it is the intent of the City to prohibit the cultivation of medical marijuana in the City of Arroyo Grande.

B. Marijuana plants grown outdoors, as they begin to flower and for a period of two (2) months or more during the growing season, produce an extremely strong odor that is offensive to many people and detectable far beyond property boundaries. This strong smell may create an attractive nuisance, alerting persons to the location of the marijuana plants, thereby creating a risk of burglary, robbery, armed robbery, assault, attempted murder, and murder.

C. Fertilizers and pesticides, both legal and illegal, used when marijuana is grown outdoors may unreasonably increase the concentration of such chemicals in storm water runoff thereby impacting local creeks, streams and rivers. Such pollution may negatively affect water quality for downstream users, harm ecosystems, and impact threatened or endangered species.

D. Water for marijuana grown outdoors may be illegally diverted from local creeks, streams, and rivers, thereby unreasonably depriving downstream users

of beneficial water sources. Such diversions may also impact water supply, harm ecosystems, and negatively affect threatened or endangered species.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DOES ORDAIN AS FOLLOWS:

SECTION 1. The above recitals and findings are true and correct and are incorporated herein by this reference.

SECTION 2. This Ordinance is adopted pursuant to the authority granted by the California Constitution and State law, including but not limited to Article XI, Section 7 of the State Constitution, Proposition 215, codified as Health and Safety Code Section 11362.5 et seq., the Medical Marijuana Program Act, codified as Health and Safety Code Section 11362.7 et seq. and the MMRSA.

SECTION 3. Section 16.62.010 of the Arroyo Grande Municipal Code is hereby amended to read as follows:

“16.62.010 Purpose and findings”.

A. It is the purpose and intent of this chapter to prohibit medical marijuana dispensaries, cooperatives and collectives, and limit cultivation of medical marijuana pursuant to the City of Arroyo Grande’s authority under Section 7 of Article XI of the California Constitution, in order to promote the health, safety, and general welfare of the residents and businesses within the City of Arroyo Grande and prevent adverse impacts which such activities may have on nearby properties and residents, as recognized by the Courts (reference City of Riverside v. Inland Empire Patients Health & Wellness Center., Inc., 56 Cal.4th 729 (2013) and Maral v. City of Live Oak, 221 Cal.App.4th 975 (2013)) and as provided in the Medical Marijuana Regulation and Safety Act (AB 243 (Chapter 688, Statutes of 2015); AB 266 (Chapter 689, Statutes of 2015); and SB 643 (Chapter 719, Statutes of 2015)).

B. Pursuant to the City of Arroyo Grande’s police powers authorized in Article XI, Section 7 of the California Constitution, the City has the power to regulate permissible land uses within its boundaries and to enact regulations for the preservation of public health, safety and welfare of its residents and community. Further, pursuant to Government Code Sections 38771 through 38775, municipalities also have the power through the City Council to declare actions and activities that constitute a public nuisance.

C. The City Council finds that Proposition 215, "The Compassionate Use Act of 1996", Senate Bill 420 enacted in 2003, also known as the Medical Marijuana Program and the Medical Marijuana Regulation and Safety Act (AB 243 (Chapter 688, Statutes of 2015); AB 266 (Chapter 689, Statutes of 2015); and SB 643 (Chapter 719, Statutes of

2015) do not preempt the City's exercise of its traditional police powers in enacting land use regulations, such as this chapter, for preservation of public health, safety and welfare, by prohibiting medical marijuana dispensaries, cooperatives and collectives, and regulating and limiting the cultivation of marijuana within the City."

SECTION 4. Section 16.62.050 of the Arroyo Grande Municipal Code is hereby amended to read as follows:

"16.62.050 Cultivation".

A. Except for limited indoor cultivation as provided in subsection C herein, no person or persons owning, leasing, occupying, or having charge or possession of any parcel in the City of Arroyo Grande, including primary caregivers and qualified patients, collectives, cooperatives or dispensaries, shall allow such parcel to be used for the cultivation of marijuana. Cultivation of marijuana in violation of this chapter within the City of Arroyo Grande for any purpose is prohibited, and is expressly declared to be a public nuisance.

B. The prohibition contained in this section is intended to constitute an express prohibition on cultivation as it relates to the provisions of Health and Safety Code Section 11362.777(b)(3), which provides that a person or entity shall not submit an application for a state license to cultivate marijuana under the Department of Food and Agriculture's Medical Cannabis Cultivation Program if the proposed cultivation of marijuana will violate the provisions of a local ordinance or regulation, or if medical marijuana is prohibited by the City.

C. The limited indoor cultivation of marijuana in the City of Arroyo Grande is permitted subject to the following restrictions and standards:

1. The marijuana is cultivated by a qualified patient for his or her personal use.
2. The marijuana is cultivated inside a detached single family dwelling on property where the qualified patient resides on a full-time basis.
3. No more than fifty (50) contiguous square feet of the interior of the dwelling, shall be devoted to the cultivation of medical marijuana. The medical marijuana cultivation area shall not exceed 10 feet in height. These restrictions apply regardless of how many qualified patients are residing on the property.
4. The area used for cultivation complies with California Building, Electrical and Fire Codes as adopted by City of Arroyo Grande.
5. The marijuana cultivation is concealed so that it is not visible from the exterior of the property, the public right-of-way, and/or neighboring properties.
6. All medical marijuana cultivated pursuant to this section shall be for the personal use only of a qualified patient residing on the property and may not be distributed to any other person, collective or cooperative. The qualified patient

shall not participate in medical marijuana cultivation in any other residential location within the City of Arroyo Grande.

7. The lighting for the cultivation shall not exceed 1200 watts. The use of flammable or combustible products, including but not limited to, propane and butane for cultivation and processing is prohibited.

8. The cultivation of marijuana shall not take place in a kitchen, bathroom or occupied bedroom of the dwelling.

9. The marijuana cultivation shall not adversely affect the health or safety of the occupants of other property in the vicinity by creating dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration or other impacts and shall not be maintained in a manner so as to constitute a hazard due to use or storage of materials, processes, products or wastes.

10. Nothing in this subsection is intended, nor shall it be construed, to preclude any landlord from limiting or prohibiting medical marijuana cultivation by tenants.”

SECTION 5. Section 16.62.070 of the Arroyo Grande Municipal Code is hereby amended to read as follows:

“16.62.070 Deliveries.”

It shall be unlawful for any person to deliver medical marijuana or medical cannabis products or engage in activities that constitute delivery of medical marijuana or medical cannabis products anywhere within the boundaries of in the City of Arroyo Grande unless the medical marijuana delivery service and each delivery driver is licensed in accordance with the provisions of Chapter 5.95 of this Code.

SECTION 6. Chapter 5.95 is hereby added to Title 5 of the Arroyo Grande Municipal Code to read as follows:

Chapter 5.95 - MEDICAL MARIJUANA DELIVERY SERVICES

5.85.010 - Definitions

For the purposes of this chapter the following words and phrases shall have the meanings respectively ascribed to them by this section:

“City” shall mean the City of Arroyo Grande.

“Chief of Police” shall mean the Chief of Police of the City of Arroyo Grande or his or her designee.

“City Manager” shall mean the City Manager of the City of Arroyo Grande or his or her designee.

“Marijuana” means all parts of the plant genus Cannabis, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin, and includes “cannabis”, “medical cannabis”, “cannabis product” and “medical cannabis product” as defined in Business and Professions Code Sections 19300.5(f) and (ag).

“Marijuana Delivery” or “Delivery” means the commercial transfer of marijuana from one location to another. “Delivery” shall also have the meaning set forth in Business and Professions Code Section 19300.5 (m).

“Marijuana Delivery Driver” shall mean any individual who drives or operates a marijuana delivery vehicle in which marijuana is delivered.

“Marijuana Delivery Service” means a person or persons engaged in the business of owning, controlling or operating one or more marijuana delivery vehicles which transport, carry, or deliver marijuana in such marijuana delivery vehicle, or marijuana delivery vehicles, anywhere within the City of Arroyo Grande.

“Marijuana Delivery Vehicle” means a motor vehicle, as that term is defined in the Vehicle Code of the State of California, used for the transportation of marijuana.

“Person” includes any person, firm, association, organization, partnership, joint venture, business trust, corporation or company.

“Primary Caregiver”. This shall have the meaning set forth in Health and Safety Code Section 11362.7(d).

“Qualified Patient”. This shall have the meaning set forth in Health and Safety Code Section 11362.7(f).

5. 95.020 - Marijuana Delivery Service License Required; Limitation on Number of Licenses, Criteria and Granting of Licenses

Every marijuana delivery service shall obtain a marijuana delivery service license from the City prior to any operation within the City. The Chief of Police may grant or cause to be granted up to three marijuana delivery service licenses to operate in the City of Arroyo Grande.

Marijuana delivery service licenses shall be issued based upon an open application process. The Chief of Police shall give public notice of the opening of a 30 day period during which applications for marijuana delivery services will be accepted by having

such notice published in a newspaper of general circulation pursuant to Government Code Section 6061 and posting the notice on the City's website. Applications shall be signed under penalty of perjury that the applicant has personal knowledge of the information being submitted and that it is true.

Granting of marijuana delivery service licenses shall be made at the sole discretion of the Chief of Police. The Chief of Police shall rank the applications received using the criteria contained in this section, based upon those that best meet the needs of the community and will delivery services and operate in a manner that will protect the public health and safety. The highest ranked qualified applicants equal to the number of available medical marijuana delivery service licenses shall be granted licenses pursuant to this chapter. The decision of the Chief of Police shall be final.

When the Chief of Police has reviewed qualified applications within two years of any open application process under the provisions of this section and less than three licenses are active, at the discretion of the Chief of Police, review may be limited to applications previously submitted through the prior open application process.

In addition to the information required in section 5.95.050, applicants shall address the following criteria, which shall be used by the Chief of Police as a basis for granting marijuana delivery service licenses:

- The applicant shall describe their experience in the marijuana delivery service business, including their knowledge of applicable medical marijuana laws and regulations.
- The applicant shall describe its plan and procedures for safely and securely delivering medical marijuana to qualified patients. This shall address procedures for preventing theft or diversion of medical marijuana.
- The applicant shall demonstrate knowledge relating to where and how the marijuana they deliver is cultivated, various strains of marijuana, and its experience, if applicable, growing those strains or comparable agricultural products.
- The applicant shall describe its plan for keeping records required by this chapter.
- The applicant shall describe steps taken to ensure quality, including the purity and consistency of the medical marijuana it delivers to qualified patients. This shall include labeling, packaging and how it ensures consumer safety by testing for biological and chemical contaminants, pursuant to state or federal standards

for food, drugs or tobacco. It shall also include details regarding procedures used to prepare any medical marijuana edibles to comply with State food safety requirements, as well as the source of marijuana used in edible products.

- The applicant shall describe their personnel procedures and hiring practices, including the manner in which they ensure that employees are familiar with their procedures for safely and securely delivering medical marijuana, procedures to prevent theft or diversion, as well as the employee's knowledge of applicable medical marijuana laws and regulations. If the applicant maintains an employee handbook, copies shall be provided with the application.

Marijuana delivery service licenses are not transferable. They shall be deemed terminated if the owner or operator who was granted a license discontinues or suspends delivery operations for a period of more than thirty days without permission obtained from the Chief of Police.

When the State Bureau of Medical Marijuana has commenced issuing licenses pursuant to the Medical Marijuana Regulation and Safety Act (Chapter 3.5 (beginning with Section 19300) of Division 8 of the Business and Professions Code, all medical marijuana delivery services operating in the City shall also present proof to the Chief of Police that it has been issued required state license(s). Receipt of a marijuana delivery service license pursuant to this chapter shall constitute express authorization for delivery in the City of Arroyo Grande, as provided in Business and Professions Code Section 19300.5(n).

5.95.030 - Marijuana Delivery Service License Exemptions

A. A primary caregiver engaged in the delivery of marijuana to a qualified patient for which they are the primary caregiver is exempt from a requirement for a marijuana delivery service license.

B. A qualified patient engaged in the transportation of marijuana solely for his or her own personal use is exempt from a requirement for a marijuana delivery service license.

5.95.040 – Fees, Business Licenses, and Term

- A. Every marijuana delivery service licensed by the City shall pay application and license fees as stated in the City's Master Fee Schedule. Upon approval of the marijuana delivery service license application, the marijuana delivery service shall pay the fee as stated in the City's Master

Fee Schedule per marijuana delivery vehicle, and the City shall issue a marijuana delivery vehicle license sticker for each properly insured marijuana delivery vehicle. The annual marijuana delivery service license renewal fee shall be as stated in the City's Master Fee Schedule per year, and the annual fee per marijuana delivery vehicle for the license sticker as stated in the City's Master Fee Schedule. Each applicant shall also present to the City the prescribed amount set by the Department of Justice of the State of California for the processing of the applicant's fingerprints.

- B. Each applicant for a marijuana delivery driver's permit shall pay to the City, application fees and annual permit fees as stated in the City's Master Fee Schedule. The annual renewal permit fee shall also be as stated in the Master City's Fee Schedule. Each applicant shall present to the City the prescribed amount set by the Department of Justice of the State of California for the processing of the applicant's fingerprints.
- C. Each marijuana delivery service shall pay all applicable business license fees as required by Chapter 5.02 of this code, and pay any other applicable taxes pursuant to Federal, State and local law.
- D. Term. All licenses and stickers issued to marijuana delivery services and marijuana delivery drivers shall be for the period of no more than one calendar year, and shall expire at midnight on the 31st day of December, subject to annual renewal by the Chief of Police. Initial annual fees shall be prorated based upon when in the year it is issued, however, application fees and annual fees shall not otherwise be subject to reductions or refunds.
- E. Prior to any renewal the Chief of Police shall review the licensee or permittee for satisfactory performance and compliance with the provisions of this Code during the preceding year, and also confirm the continuing validity of all information that was submitted by the licensee or permittee during the initial application process.

5.95.050 – Marijuana Delivery Service License Application

A. In addition to submitting information relating to the selection criteria in section 5.95.020, every application for a marijuana delivery service license submitted in response to an open application process shall contain:

1. Name and address of the applicant.
2. If the applicant is a corporation, the names and addresses of its directors. Copies of any relevant Articles of Incorporation, and any medical marijuana collective/cooperative agreement and membership forms shall be submitted with the application.
3. Area within which the delivery service proposes to operate.
4. Kind and amount of public liability and property damage insurance covering each vehicle to be used for marijuana delivered within the City.
5. Owner's trade name and business address.
6. Listing of all vehicles to be used for marijuana delivery within the City, their make, model (year), license plate number and Vehicle Identification Number.

B. Whenever an employee of a marijuana delivery service files an application for a marijuana delivery driver's permit, or renewal hereof, with the City, the employer marijuana delivery service shall within 10 days after the filing of the application by the employee with the City, submit to the City by first class U.S. mail copies of the results and other records pertaining to the testing of the employee for the use of alcohol and controlled substances conducted pursuant to mandatory controlled substance and alcohol testing certification program required by Section 5.95.200.

5.95.060 - Investigation of Marijuana Delivery Service Application

A. All applications submitted as part of a marijuana delivery service open application process shall be referred to the Chief of Police for investigation in order to determine if the applicant is qualified. The Chief of Police shall obtain a copy of the applicant's criminal record in the United States, if any, and may obtain the criminal record, if any, in any other country, if obtaining such foreign criminal record is feasible.

B. The Chief of Police in making determinations relating to granting medical marijuana delivery licenses may also demand personal references from applicants and may make such further investigation of applicants as deemed appropriate.

5.95.70 - Insurance Requirements

The insurance required before a marijuana delivery service license can be issued shall insure the public against any loss or damage that may result to any person or property from the operation of any marijuana delivery vehicle used by the marijuana delivery

service in its business as such. The amount of insurance shall not be less than \$1,000,000.00 per occurrence combined single limit for bodily injury and property damage. The City, its officers, agents and employees shall be named as additional insureds on any policy. Insurance shall include contractual liability to cover liability assumed in contract, shall include a severability of interest or equivalent wording, and shall specify that insurance coverage afforded to the City shall be primary.

5.95.80 - Insurance Certificate Prerequisite to Issuance

No marijuana delivery service license shall be issued until the applicant first files with the City a certificate of insurance, on a form acceptable by the City. Said certificate shall provide evidence of insurance in amounts and with conditions acceptable to the City and shall be approved by the City Manager. The marijuana delivery service insurance shall remain in force during the entire term of the license, and if such insurance is canceled or terminated, it shall be grounds for revocation or suspension of the license until a valid certificate is furnished to the City.

5.95.90 - Hold Harmless Agreement

As a condition of the license, each marijuana delivery service shall execute an agreement indemnifying and holding harmless the City, its officers, agents and employees from any and all damages, claims, liabilities, costs including attorney's fees, suits or other expenses resulting from and arising out of said marijuana delivery service operations. The agreement shall provide that the marijuana delivery service agrees to defend, at its sole expense, any action against the City, its officers, agents and employees and reimburse the City of any court costs and attorney fees that the City may be required to pay as a result of any such action or issuance of the license. The City, may, at its sole discretion, participate at its own expense in the defense of any action, but such participation shall not relieve the licensee of its obligations hereunder.

5.95.100 - Revocation or Suspension of Marijuana Delivery Service License

A marijuana delivery service license or a renewal thereof may be revoked or suspended if the license holder:

A. Has knowingly made a false statement in a material matter either in his or her application or in any reports or other documents furnished by him or her to the City.

B. Does not maintain and operate his or her marijuana delivery vehicle and other equipment in the manner and in the condition required by law and applicable regulations.

C. Is required to register as a sex offender under the provisions of Section 290 of the California Penal Code.

D. Has been convicted of any offense relating to the use, sale, possession or transportation of narcotics or habit-forming drugs.

E. Has utilized drivers who are under suspension, revocation or probation by the Department of Motor Vehicles for a cause involving the safe operation of a motor vehicle, or have been convicted of any of the following offenses: driving while intoxicated; or reckless driving involving bodily injury.

F. Has been convicted of any offense punishable as a felony, or has been convicted within a 10-year period immediately preceding the crime of theft in either degree.

G. Has been convicted of any offense involving moral turpitude.

H. Utilizes drivers who have been involved in any motor vehicle accident causing death or personal injury.

I. Utilizes drivers who have been involved in three or more motor vehicle accidents.

J. Failed to pay required license fees.

K. Has violated any provision of this chapter or engaged in any conduct that adversely affects the health, welfare or safety of the community.

5.95.110 - Revocation Procedures

A. The City may give notice to a marijuana delivery service of its intention to revoke a marijuana delivery service license. If deemed it will be a hazard to the health, safety or welfare, for the marijuana delivery service to continue operations pending a revocation hearing, the City may suspend the license and all rights and privileges thereunder until the hearing on revocation. The notice shall specify a time and place at which a hearing will be held before a hearing officer designated by the City Manager. The hearing officer may be a department head, or his or her designee, or other disinterested person. The employment, performance evaluation, compensation and benefits of the hearing officer, if any, shall not be directly or indirectly conditioned upon the determinations made by the hearing officer.

The hearing shall be conducted not less than seven days after the date of the notice, unless the operator agrees to a shorter period of time. Unless the marijuana delivery service consents, a hearing must be held within 14 days of a suspension. The notice shall specify the reasons for the proposed revocation in sufficient detail so as to fully inform the marijuana delivery service of the reasons which have caused the notice to be given, and if the marijuana delivery service license has been suspended the reasons for such suspension. A copy of the notice shall be sent to the Chief of Police.

B. The marijuana delivery service and Chief of Police shall each have the right to be represented by counsel, to call and examine witnesses, cross-examine witnesses, and argue their respective positions. The proceedings shall be informal, and strict rules of evidence shall not apply. All evidence shall be admissible which is of the kind that reasonably prudent persons rely on in making decisions.

C. The hearing officer shall render a recommended decision in writing to the City Manager, and include the reasons therefor. The City Manager may accept, or modify the hearing officer's recommendation and the decision of the City Manager shall be final.

5.95.120 - Marijuana Delivery Service Operating Requirements

A. Deliveries shall be directly to the residence or business address of the qualified patient who possesses an identification card issued pursuant to Health and Safety Code Section 11362.71 et seq. or to that person's primary caregiver. Any other delivery or transaction is prohibited. The qualified patient or primary caregiver shall maintain a copy of the delivery request and make it available to law enforcement officers upon request as required by Business and Professions Code Section 19340(e).

B. No marijuana delivery service shall permit any person other than a marijuana delivery vehicle driver, licensed in accordance with this chapter, to operate any of its marijuana delivery vehicles in which marijuana is delivered within the City.

C. In accordance with the requirements of Business and Professions Code section 19340, during delivery, licensees shall maintain a physical copy of the delivery request and shall make it available to law enforcement officers upon request. Each marijuana delivery service shall maintain a written record of every request for delivery, including the name of the requestor, the address for the delivery, the quantity and type of marijuana requested, the date and time the delivery request is received, the marijuana delivery vehicle that is assigned to make the delivery, and the marijuana delivery driver that is assigned to make the delivery.

D. Each marijuana delivery service shall assure that every marijuana delivery driver shall have a copy of the record of the delivery request during the delivery of any marijuana in the City. Employees delivering medical marijuana shall carry a copy of the delivery services license and present it and the employee's identification to law enforcement officers upon request. Deliveries shall only occur between the hours of 10:00 a.m. and 7:00 p.m.

E. Other than displaying required marijuana delivery vehicle license stickers, delivery vehicles shall not contain advertisements for commercial cannabis activities nor shall it advertise the name of the dispensary.

F. Delivery drivers shall not transport medical marijuana in excess of any applicable limits established by the Bureau of Medical Marijuana.

G. Each marijuana delivery service shall maintain, for a minimum of three years, a written accounting or ledger of all cash, receipts, credit card transactions, and reimbursements, (including any in-kind contributions) as well as records of all operational expenditures and costs incurred by the marijuana delivery service in accordance with generally accepted accounting practices and standards typically applicable to business records, which records shall be subject to audit or inspection by the City upon request.

H. Each marijuana delivery service shall keep current the information furnished under Section 5.95.050. The information shall be furnished to the City.

I. No deliveries shall be permitted within 1000 feet of any public or private school, public library, day care facility, youth center, or park and recreation facility.

J. All products delivered shall have been tested in a manner consistent with the procedures described in the marijuana delivery service application, as required by Section 5.95.020.

5.95.130 - Marijuana Delivery Driver's Permit - Required

Every marijuana delivery driver who drives a marijuana delivery vehicle for which a marijuana delivery service license is required or has been issued shall obtain a marijuana delivery driver's permit from the City prior to driving a marijuana delivery vehicle within the City.

5.95.140 - Application

A. Every applicant for a marijuana delivery driver's permit must be employed or have an offer of employment by a licensed marijuana delivery service. Every marijuana delivery driver shall file an application for a marijuana delivery driver's permit on a form supplied by the City.

B. For marijuana delivery drivers employed by a marijuana delivery service, employer marijuana delivery service shall comply with subsection B of Section 5.95.050 of this chapter. An applicant for a marijuana delivery driver's permit shall immediately upon the filing of an application inform the employer of the requirements of this section and of subsection B of Section 5.09.050.

5.95.150 - Referral of Application to Chief of Police

The application for a marijuana delivery driver's permit shall be referred to the Chief of Police, who shall make the same type of investigation as set forth in Section 5.95.060 and approve or disapprove the application.

5.95.160 - Procedure on Disapproval

- A. Within 15 days after notification of disapproval, an applicant may appeal to the City Manager, in writing, from the disapproval of the Chief of Police, giving the reasons in full as to why the permit should be issued in spite of the disapproval. A copy of the appeal shall be sent by applicant to the Chief of Police and City Manager at the same time.
- B. The City Clerk shall set a hearing on the appeal of the applicant, and shall fix a time and a date certain, within 30 days after the receipt of applicant's appeal by the City (or such longer time as applicant shall agree to) to hear and consider the appeal of applicant. The City Clerk shall notify the applicant, Chief of Police and City Manager of the time and place of hearing at least seven days prior to the date of the hearing.
- C. A hearing officer designated by the City Manager shall hear the appeal. The hearing officer may be a department head, or his or her designee, or other disinterested person. The employment, performance evaluation, compensation and benefits of the hearing officer, if any, shall not be directly or indirectly conditioned upon the determinations made by the hearing officer.
- D. All testimony at the hearing shall be given under oath or affirmation. The applicant and Chief of Police shall have the right to be represented by

counsel. Applicant and Chief shall each have the right to call and examine witnesses, cross-examine witnesses and argue their respective positions. The proceeding shall be informal, and the strict rules of evidence shall not apply, and all evidence shall be admissible which is of the kind that reasonably prudent persons rely on in making decisions.

The hearing officer shall determine the order of procedure and shall rule on all objections to admissibility of evidence. Applicant and Chief of Police shall each be given a full and fair hearing. The hearing officer shall render a recommended decision in writing to the City Manager, and include the reasons therefore within 10 days after the close of the hearing. The City Manager may accept, or modify the hearing officer's recommendation and the decision of the City Manager shall be final.

5.95.170 - Issuance

Upon receipt of the approval of the City, it shall issue to the applicant a marijuana delivery driver's permit, which shall be in the form of a card containing the permittee's name, photograph and right index fingerprint.

5.95.180 - Notice of Revocation – Suspension - Procedures

The City may give a notice of intention to revoke a marijuana delivery driver's permit, and may suspend such permit pending a hearing, as in the case of a marijuana delivery service license, and the procedures for revocation, and the rights of the parties shall be the same, insofar as applicable as in the case of revocation of a marijuana delivery service license.

5.95.190 - Automatic Suspension of Marijuana Delivery Driver's Permit

Any marijuana delivery driver's permit issued hereunder shall be automatically suspended and be null and void during any period of time that the marijuana delivery driver's State motor vehicle operator's license is suspended, revoked, or for any other reason is invalid or inoperative.

5.95.200 - Mandatory Controlled Substance and Alcohol Testing Program

A. Every marijuana delivery service shall develop and adopt a mandatory controlled substance and alcohol testing certification program in compliance with Government Code Section 53075.5 and in accord with the procedures set forth in Part 40 (commencing with Section 40.1) of Title 49 of the Code of Federal Regulations. A copy of the mandatory controlled substance and alcohol testing certification program

adopted pursuant to this section shall be delivered to the Chief of Police and City Manager.

B. The employer marijuana delivery service's mandatory controlled substance and alcohol testing certification program shall contain a provision that, while the employer marijuana delivery service license is in effect, the employer marijuana delivery service shall, upon request of the City, make available for inspection copies of all results and other records pertaining to the testing for the use of alcohol and controlled substances conducted pursuant to the mandatory controlled substance and alcohol testing certification program required by this section.

C. The employer marijuana delivery service's mandatory controlled substance and alcohol testing certification program shall, at a minimum, require every marijuana delivery driver to submit to testing at least once every year and submit to mandatory testing following citation for a moving violation or being involved in a vehicle accident.

D. Failure to comply with the requirements of this section constitutes grounds for denial, revocation or suspension of a marijuana delivery service license pursuant to this chapter. The procedures for denial, suspension or revocation shall be the same as those prescribed for suspension or revocation of a marijuana delivery service license elsewhere in this chapter.

5.95.210 - Grounds for Denial, Revocation or Suspension of Marijuana Delivery Driver's Permit

The granting of a marijuana delivery driver's permit or a renewal thereof may be denied and an existing permit may be revoked or suspended if the permit holder or applicant:

A. Has knowingly made a false statement in a material matter either in his or her application or in any reports or other documents furnished by him or her to the City.

B. Does not maintain and operate his or her marijuana delivery vehicle and other equipment in the manner and in the condition required by law and applicable regulations.

C. Is required to register as a sex offender under the provisions of Section 290 of the California Penal Code.

D. Has been convicted of any offense relating to the use, sale, possession or transportation of narcotics or habit-forming drugs.

E. Within the three-year period immediately preceding the application has been under suspension, revocation or probation by the Department of Motor Vehicles for a cause involving the safe operation of a motor vehicle, or has been convicted of any of the following offenses: driving while intoxicated; or reckless driving involving bodily injury.

F. Has been convicted of any offense punishable as a felony, or has been convicted within a 10-year period immediately preceding the crime of theft in either degree.

G. Has been convicted of any offense involving moral turpitude.

H. Has been involved within the two years immediately preceding the application in any motor vehicle accident causing death or personal injury.

I. Has been involved in three or more motor vehicle accidents within the year immediately preceding the application.

J. Failed to pay required permit fees.

K. Has violated any provision of this chapter.

5.95.220 - Additional Marijuana Delivery Driver Conditions

In addition to the conditions and grounds for the issuance and retention of a marijuana delivery driver's permit issued pursuant to this chapter, a marijuana delivery driver's permit shall be issued and retained subject to the following conditions:

A. The marijuana delivery driver shall be at least 18 years old prior to issuance of a marijuana delivery driver's permit.

B. Employment, or an offer of employment, as a marijuana delivery driver has been made by a licensed marijuana delivery service.

C. The marijuana delivery driver's permit shall become void upon termination of employment of the marijuana delivery driver.

D. The marijuana delivery service employer shall notify the City upon termination of employment of a marijuana delivery driver.

E. The marijuana delivery driver's permit shall state the name of the marijuana delivery service employer.

F. The marijuana delivery driver shall return the marijuana delivery driver's permit to the City upon termination of employment.

G. The marijuana delivery driver shall not test positive pursuant to the employer marijuana delivery service's mandatory controlled substance and alcohol testing certification program.

5.95.230 - Marijuana Delivery Driver Duties

A. No marijuana delivery driver shall permit any person other than another marijuana delivery vehicle driver, who has been issued a permit in accordance with this chapter, to operate the marijuana delivery vehicle in which marijuana is delivered within the City.

B. Each marijuana delivery driver shall have a copy of the record of the delivery request during the delivery of any marijuana in the City.

SECTION 7. This ordinance is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) which is the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

SECTION 8. A summary of this Ordinance shall be published in a newspaper published and circulated in the City of Arroyo Grande at least five (5) days prior to the City Council meeting at which the proposed Ordinance is to be adopted. A certified copy of the full text of the proposed Ordinance shall be posted in the office of the City Clerk. Within fifteen (15) days after adoption of the Ordinance, the summary with the names of those City Council members voting for and against the Ordinance shall be published again, and the City Clerk shall post a certified copy of the full text of such adopted Ordinance. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage.

SECTION 9. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage.

SECTION 10. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

On motion by Council Member _____, seconded by Council Member _____, and by the following roll call vote to wit:

AYES:

NOES:

ABSENT:

the foregoing Ordinance was adopted this ____ day of _____, 2016.

JIM HILL, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER K. WHITHAM, CITY ATTORNEY



Proposed Requirements for Medical Marijuana DELIVERY Service

- Allow (2 – 4) delivery-only dispensaries, with no on-site sales
- Review operation, twice annually
- The City Staff shall have access to the entities books, records, accounts and any and all data relevant to its permitted activities for the purpose of conducting an audit or examination.
- No sale shall be within 1000 feet of the following:
 - public or private schools
 - public libraries
 - daycares
 - youth centers (serving youth under 18)
 - parks & recreation facilities
- Delivery Hours 10a – 7p
- All medicine shall be Lab tested
- Submit Seller's Permit
- Submit Ownership Information
 - Articles of Incorporation
 - Collective/cooperative agreement
 - Membership forms
- Submit Insurance Verification
- Submit owners, managers, & driver's valid medical cannabis recommendation

Permit Fees (based on Goleta, CA fees and population averages)

- \$65 for a Delivery Service License
- \$65 for each driver who must obtain a special license