



COMMERCIAL CANNABIS BUSINESS REGULATIONS COMMERCIAL CANNABIS PERMIT AMENDMENTS

These regulations are promulgated by the Office of the City Manager under the authority provided by Municipal Code Section 5-07.48 to implement the provisions of Chapter 5, Article VII of the Salinas Municipal Code. These regulations shall have the same force and effect as law. These regulations shall be effective as of February 7, 2018.

Pursuant to Section 5-07.09, the holder of a Commercial Cannabis Permit (CCP) may request that said Permit be amended. All applications to amend a CCP shall comply with these regulations.

BEFORE YOU APPLY

- Review the information to learn about the application process and which documents you will need.
- Review the application in its entirety to ensure that it is complete and accurate.
- Review State laws and regulations governing CCB's, including the California Department of Justice Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use and the Medicinal and Adult-Use Cannabis Regulation and Safety Act (SB 94), including any draft or final regulations that may be released by the State to implement that law.
- Review the information on the City of Salinas commercial cannabis business webpage:

www.cityofsalinas.org/our-city-services/city-manager/economic-development/commercial-cannabis-businesses

APPLICATION REQUIREMENTS

The amendment process shall consist of a review of written materials submitted, and may include additional activities such as an interview and/or a public hearing, depending on the specific request and type of application. All applications for Amendments shall include all of the following items:

- (1) **Amendment of Commercial Cannabis Permit Form:** This Form will be provided by the City. The requestor shall completely fill out the Form and provide all information requested.
- (2) **Amendment Request:** The Applicant shall provide the requested modification(s) to the original Permit, including the reasons and/or justifications for the proposed change, as necessary. The applicant shall also include any supplemental materials deemed necessary for the application type, as described below.
- (3) **Application Fee:** The appropriate fees for permit renewal shall be included with the request.

ADMINISTRATIVE AMENDMENTS

Administrative Amendments constitute minor changes to a Permit, or the business's operations, that have insubstantial or very limited impacts, and therefore do not require substantial review by the City.

- (1) **Applicability:** An Administrative Amendment may be considered for the following situations:
 - The addition or removal of principals from the business, provided that said principals are not listed on the CCP.
 - Minor changes to the conditions of the CCP when, in the opinion of the City Manager or his/her designee, such changes are fully consistent with the original approval and are not likely to result in negative consequences to the public.

- (2) **Amendment Materials:** The Applicant shall submit the materials described under Application Requirements, above. Written materials shall include the names of the principals to be added or removed and/or a description of the proposed modification to the CCP. Principals to be added shall also include proof that they have completed a Criminal History Check with the Salinas Police Department.
- (3) **Amendment Review Process:** The application for an amendment will be reviewed by the Office of the City Manager on behalf of the Selection Committee, who shall render a decision. Decisions may be appealed in accordance with Section 5-07.10.

MINOR AMENDMENTS

Minor Amendments constitute changes to a Permit which warrant a higher level of scrutiny by City staff due to potential negative impacts to the community or the business's operations. These are differentiated from Administrative Amendments in that Minor Amendments have potentially significant impact; however, unlike changes that would require a Major Amendment, these impacts can be reviewed and resolved in isolation of the other provisions and requirements of the Permit, and do not have implications beyond the business.

- (1) **Applicability:** A Minor Amendment may be considered for the following situations:
 - The addition or removal of a named principal on the CCP, provided that at least one principal from the original approval remains listed on the Permit.
 - Changes to the conditions of the CCP when, in the opinion of the City Manager or his/her designee, such changes, while generally consistent with the original approval, represent changes that have the potential to negatively impact business operations and or could result in negative consequences to the public if not properly regulated.
- (2) **Amendment Materials:** The Applicant shall submit the materials described under Application Requirements, above. Written materials shall include the names, background, and qualifications of the principals to be added or removed and/or a description of the proposed modification to the CCP. If the applicant is requesting modification of the conditions of a Permit, the applicant shall resubmit any information provided in the original application that could be impacted by the changes. Principals to be added shall also include proof that they have completed a Criminal History Check with the Salinas Police Department.
- (3) **Amendment Review Process:** The application for an amendment will be reviewed by the City's Selection Committee, who shall render a decision. Decisions may be appealed in accordance with Section 5-07.10.

MAJOR AMENDMENTS

Major Amendments constitute significant changes to a Permit that fundamentally alter the nature of the business in such a manner that all aspects of the business must be reexamined to ensure that operations are consistent with City standards.

- (1) **Applicability:** A Major Amendment may be considered for the following situations:
 - The relocation of a business from one location to another.
 - Any changes to the Principals where none of the original permittees are listed.
 - Requests to engage in volatile manufacturing, where such was not included in the original approval.
 - Changes to the conditions of the CCP when, in the opinion of the City Manager or his/her designee, such changes are inconsistent with the original approval.
 - Changes to any conditions to an original Permit prior to or within one year of its original effective date when, in the opinion of the City Manager or his/her designee, such change could have a material impact on the score the application received from the Selection Committee.

- (2) **Amendment Materials:** The Applicant shall submit the materials described under Application Requirements, above. Written materials shall include the names of the principals to be added or removed and/or a description of the proposed modification to the CCP. If the applicant is requesting modification of the conditions of a Permit, the applicant shall resubmit any information provided in the original application that could be impacted by the changes. Principals to be added shall also include proof that they have completed a Criminal History Check with the Salinas Police Department.

If the application includes a **relocation of the business**, the following materials shall be submitted in addition to those described above:

- A Zoning Verification Letter from the Community Development Department for the Proposed Site;
- Proof that the applicant has irrevocable rights to use the proposed site. This can include proof of ownership, a signed lease, or a signed option or other binding agreement.
- Resubmittal of all components required for an original application – provided, however, that if there are no changes to the existing principals listed on the Permit, it is not necessary to initiate a new background check for those individuals, although a restatement of qualifications may be necessary if the amendment includes operational changes.

- (3) **Amendment Review Process:** The application for an amendment will be reviewed by the Selection Committee, who shall render a decision. If the amendment is to a Permit that has either not yet become effective, or is within one year of its original effective date, the Amendment to New Permits section, below, shall apply. Decisions may be appealed in accordance with Section 5-07.10.

If the application includes a **relocation of the business**, or if deemed necessary in the opinion of the City Manager or his/her designee, the review of the application will include public notification. This notification will, at a minimum, follow these guidelines:

- A notice describing the proposed project, including the type of business, shall be sent via US Mail to all owners of real property located within 300 feet of the boundaries of the proposed site. The site's boundaries shall generally be considered to be all Assessor's Parcels fully or partially occupied by the proposed operation (including parking).
- The Notice shall provide a 10-day period for the owners and any other persons to provide information to the City regarding the proposed site. Contact information for the City shall be provided on the Notice.

If, based upon the responses to the Notice, or for any other reason, the Selection Committee determines that the public interest would be best served by holding a public meeting or hearing, a meeting shall be scheduled to receive additional input.

AMENDMENTS TO NEW PERMITS

This Section shall apply to any applications for an amendment to a Permit either prior to or within one year of that Permit's effective date. The City recognizes that the integrity of the Permit review and scoring process is contingent upon accurate information being submitted to the Selection Committee. While the City recognizes that business conditions change, and that these changes often necessitate adjustment to business activities, the City also recognizes that it is vital that the best applications be given precedence, and that after-the-fact modifications of proposals can undermine this effort.

- (1) **Applicability:** This Section shall apply to any amendment application that meets all of the following criteria.

- The Commercial Cannabis Permit has been issued, but is either not yet effective, or is within one year of its original effective date. This Section shall not be applicable to Permits that have been renewed at least once.

- The scope of the proposed changes would otherwise be considered to be a Minor or Major Amendment. Administrative Amendments are not subject to this Section and may be reviewed in accordance with the provisions specified elsewhere in these regulations.

- The City has previously denied applications for a commercial cannabis business of the same business type (ie Cultivation, Delivery, Dispensary, Distribution, and/or Manufacturing) due solely to the lack of Permit availability.

- The City had allocated all available Permits for the same business type at the time of approval of the original Permit.

(2) **Amendment Materials:** The Applicant shall submit the materials described under Major Amendment Section, above.

(3) **Amendment Review Process:** All amendments considered under this Section shall be submitted and processed as a Major Amendment. In addition to the processes and requirements described under that Section, the Selection Committee shall rescore the application in accordance with the scoring criteria utilized in any and all application round(s) which have occurred since the original approval and for which applications for the same business type were denied solely due to lack of availability of permits. The Selection Committee shall not approve any amendment request that receives a score from the Selection Committee that is lower than the score received by any business of the same business type that was denied solely due to the lack of availability of permits. The Selection Committee may give the applicant the opportunity to modify the proposal if two scores are within 5% of each other; otherwise, the application shall be denied.

AMENDMENTS AT THE TIME OF RENEWAL

Amendments may be requested a part of the Renewal Process. Administrative Amendments may be considered and made as a part of that process with no additional fees or process, provided that the requested change is made in the Request for Renewal. Any changes that would otherwise be considered a Minor or Major Amendment shall require the submittal of all fees and documents stipulated by these Regulations.

DESCRIPTION OF EVALUATION CRITERIA

When applicable, Amendments shall address the following criteria:

- **Community Benefits.** The application should describe benefits that the CCB would provide to the local community, such as donations of time, money, or expertise, that would provide positive benefits to the residents of Salinas.
- **Economic Benefits.** The application should describe to what extent the CCB will contribute to the economy of the City of Salinas, such as through employment; heightened pay and benefits (including recognition of the collective bargaining rights of employees); the incorporation of technology and innovation into business practices and whether/how those technologies may have applicability to the broader agricultural industry; the incorporation of medical research opportunities into the business plan; potential tax revenue for the City of Salinas; and any other benefits that may be applicable.
- **Employee Safety.** The application should describe how employees working on-site will be kept safe through the use of security features (such as alarms, guards, and safes), training, storage of hazardous materials, and other business practices that ensure a safe working environment. An appropriate response will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation, as well as details on operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, 3rd party contractor security, and delivery security.

- **Environmental Benefits.** The application should describe any proposed “green” business practices relating to energy and climate, water conservation and energy efficiency, and materials and waste management, with emphasis on those measures that exceed the standards required by current law.
- **Local Enterprise.** The application should state the extent to which the CCB will be a locally managed enterprise whose Principals reside and/or work within Salinas and/or the County of Monterey, including length and location (community name) of the principal’s residency or business operation and any history of involvement with nonprofit organizations serving the community.
- **Neighborhood Compatibility.** The application should address how the CCB, including its exterior areas and surrounding public areas, will be managed so as to avoid becoming a nuisance or having impacts (including, but not limited to, noise, odors, traffic, site maintenance, and excessive street parking) on its neighbors and the surrounding community. This should include a discussion regarding any nearby uses that may have some sort of sensitivity, and the specific measures that will be taken to ensure that any negative impacts from the business are minimized.
- **Operating Plan.** The application must include the address and a detailed description of the proposed location, including a Site Plan, a diagram showing the location of the CCB (if occupying only a portion of the building), and the approximate square footage. The Operating Plan also should include a description of day-to-day operations, an estimated budget detailing how the CCB will be able to meet its financial obligations, how the CCB will conform to local and state law, and how inventory and cash will be tracked and monitored to prevent diversion.
- **Product Safety.** The application should state how the CCB will ensure consumer safety and prevent accidental exposure to molds, pesticides, or other contaminants, and to ensure that dosages are properly measured, with an emphasis on measures that go beyond the requirements of current law.
- **Public Safety.** The application should describe steps that will be taken to ensure the safety of customers and the general public, including in outdoor spaces on and around the subject site.
- **Qualifications of Principals.** The application should include information describing the principal’s qualifications to operate the proposed CCB in a successful and compliant manner. This would include detailing any experience in owning or operating businesses in the past, experience in managing employees, experience in working in the medical cannabis industry, knowledge of any equipment or best practices for the applicable business type, knowledge of applicable laws and regulations, possession of any applicable special business or professional qualifications or licenses, and any other relevant qualifications.

RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all proposals, with or without any cause or reason. The City may also, modify, postpone, or cancel the acceptance of applications for amendments without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any candidate submitting an amendment.

CONTACT

If you have any questions or would like an update on the status of your application, please email Mr. Ryan Russell at cannabis_inquiries@ci.salinas.ca.us / (831) 920-6543