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# CANNABIS ORDINANCE MODIFICATIONS

WMC CHAPTERS 14-53 (CANNABIS FACILITIES)  
AND 14-16 (DISTRICT REGULATIONS)



## BACKGROUND

- In 2016 Ordinance 1345-16 created the Cannabis Ordinance
- In 2020, Ordinance 1404-20 and 1406-20 amended the Cannabis Ordinance
- In 2023, given the challenging regulatory and economic environment facing cannabis businesses, staff reached out to local cannabis businesses to understand their concerns regarding the existing cannabis ordinance and their recommended modifications
- On October 10, 2023, CDD Director presented a study session on potential modifications to the Cannabis Ordinance to the City Council

# BACKGROUND

- Sixteen potential modifications were presented to City Council:
  1. Add Another Retail License
  2. Consider Another Commercial Zoning District for Retail
  3. Consider Waivers to Distance Requirements
  4. Change Signage Regulations
  5. Modify Annual Renewal Process
  6. Modify Owner Definition
  7. ID Badges for Owners Only
  8. Rolling Application Period for Non-Retail
  9. Increase Hours
  10. On-Site 24-Hour Security Requirement
  11. Flavored Vaporizers
  12. Decriminalization of Psychoactive Drugs
  13. Drive-In Retail Service
  14. Allow Hoophouses for Nursery Plants
  15. Cannabis Events with On-Site Consumption
  16. Background Checks for Owners Only

# BACKGROUND

- At the October 10, 2023, study session, City Council expressed interest in several of the proposed modifications. Following the meeting, City Staff conducted additional analysis on:
  1. Amending Signage Requirements to Match Commercial Sign Standards
  2. Streamlining Annual Renewal Process
  3. Removing City-Issued ID Badge Requirement
  4. Allowing Open Application Period for Non-Retail Permits
  5. Increasing Allowable Operating Hours
  6. Permitting Cannabis Retail in Additional Commercial Zoning Districts
  7. Amending Separation Requirements to Match State Requirements
  8. Limiting 24-hour On-Site Security Requirements
  9. Limiting Background Checks to Business Owners Only, Add Definition of 'Owner'

# COMMUNITY ENGAGEMENT

- After additional analysis of the proposed modifications, City Staff met with the following community prevention partners to review the Staff recommendations:
  - Pajaro Valley Prevention and Student Assistance
  - Santa Cruz County Prevention Partners
- The City addressed the prevention partners concerns with a letter Dated April 3, 2024.
- The City also met with the Cannabis Business Owners throughout the Cannabis Ordinance update process.

## BACKGROUND

- On May 7, 2024, City Staff presented findings and recommendations on the City Council-identified modifications to the Planning Commission.
- Planning Commission unanimously approved staff recommendations for amending the Cannabis Ordinance

# AMEND THE SEPARATION REQUIREMENTS

## WMC 14-53.105

	Cultivation and processing	Manufacture	Distribution	Testing	Retail
School (K-12)	600 FT	600 FT	600 FT	600 FT	600 FT
Park	600 FT	600 FT	600 FT		600 FT
Residential District	250 FT	250 FT	250 FT		250 FT
Legal Residential Use	100 FT	100 FT	100 FT		100 FT
Faith-based facility, licensed daycare, preschool, or library	600 FT	600 FT	600 FT		600 FT

## AMEND THE SEPARATION REQUIREMENTS WMC 14-53.105

- The state guidelines for separation is as follows Business and Professions code Section 25054:
  - A premise licensed under this division shall not be located within a 600-foot radius of a school providing instruction in kindergarten or any grades K through 12, day care center, or youth center that is in existence at the time the license is issued, unless the department or a local jurisdiction specifies a different radius.



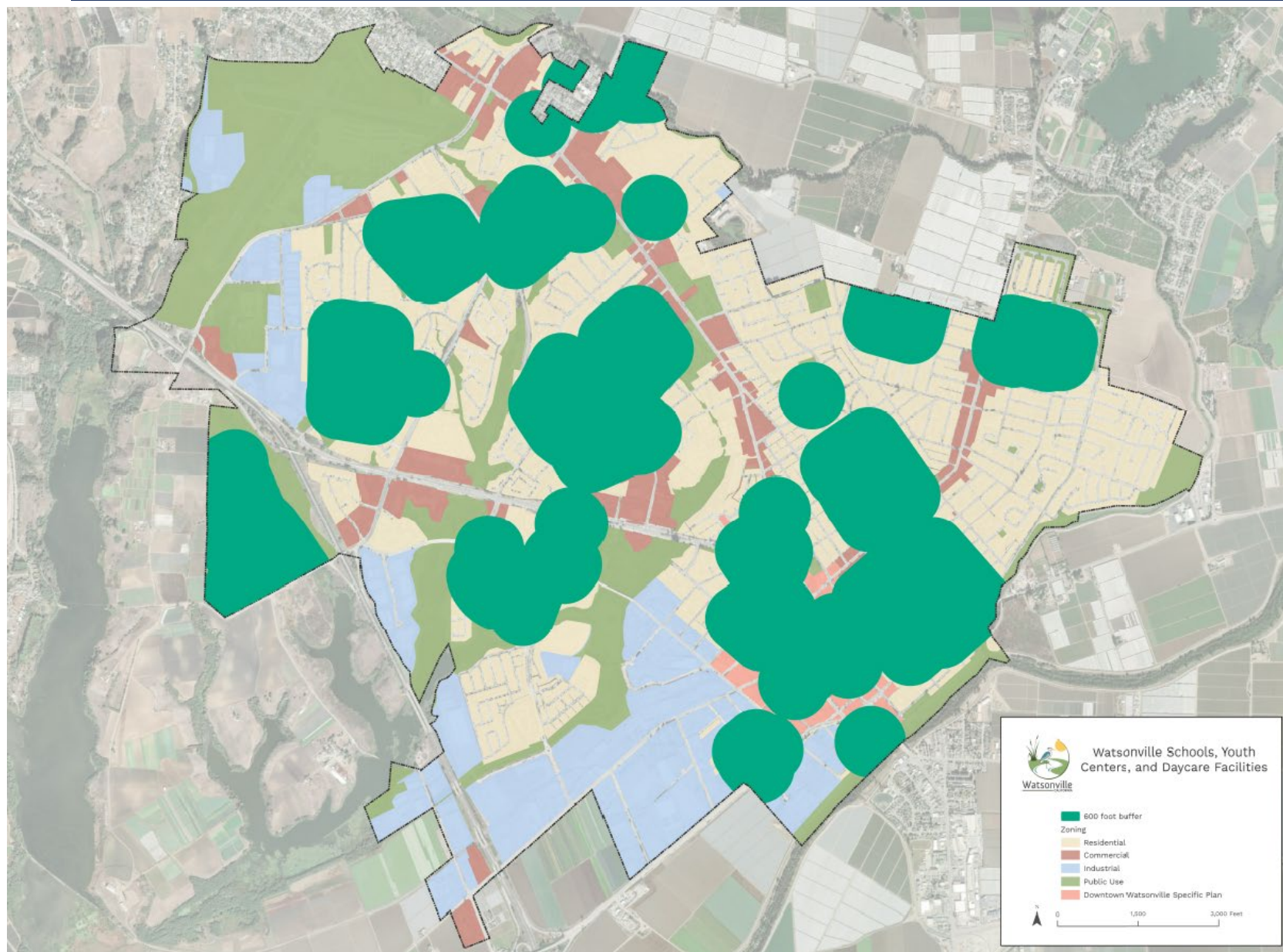
## AMEND THE SEPARATION REQUIREMENTS WMC 14-53.105

- Which local jurisdictions use the state guidelines for separation?
  - Santa Cruz
  - Capitola
  - County of Santa Cruz

# AMEND THE SEPARATION REQUIREMENTS

## WMC 14-53.105

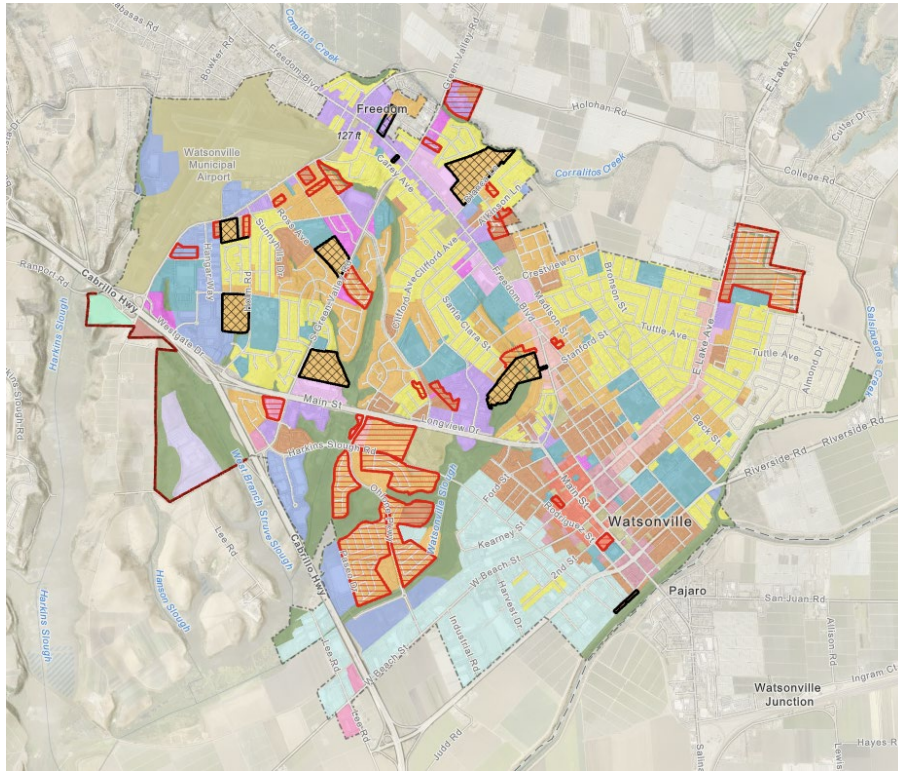
	Cultivation and processing	Manufacture	Distribution	Testing	Retail
School (K-12), licensed daycares and youth centers	600 FT	600 FT	600 FT	600 FT	600 FT
Park	600 FT	NA	NA		NA
Residential District	250 FT	NA	NA		NA
Legal Residential Use	100 FT	NA	NA		NA
Faith-based facility or library	600 FT	NA	NA		NA



# AMEND THE DISTRICT REGULATIONS CHAPTER 14-16

## 600 FT BUFFER

# AMEND THE DISTRICT REGULATIONS CHAPTER 14-16



- Cannabis Retail allowed in the following zones:
  - IP
  - IG
  - CV
- Amend to allow in the following zones:
  - CT
  - CV
  - CNS
  - CN

## AMEND THE CANNABIS SIGN ORDINANCE WMC 14-53.401

- The Cannabis Ordinance restricts cannabis retail signage to one 20 SF sign and one green cross.
- Regional Analysis:
  - Capitola
  - Santa Cruz
  - Salinas
  - County of Santa Cruz
- Staff Recommendation:
  - Regulate cannabis signage under WMC Chapter 14-21 – Signs

# AMEND THE CANNABIS SIGN ORDINANCE WMC 14-53.401

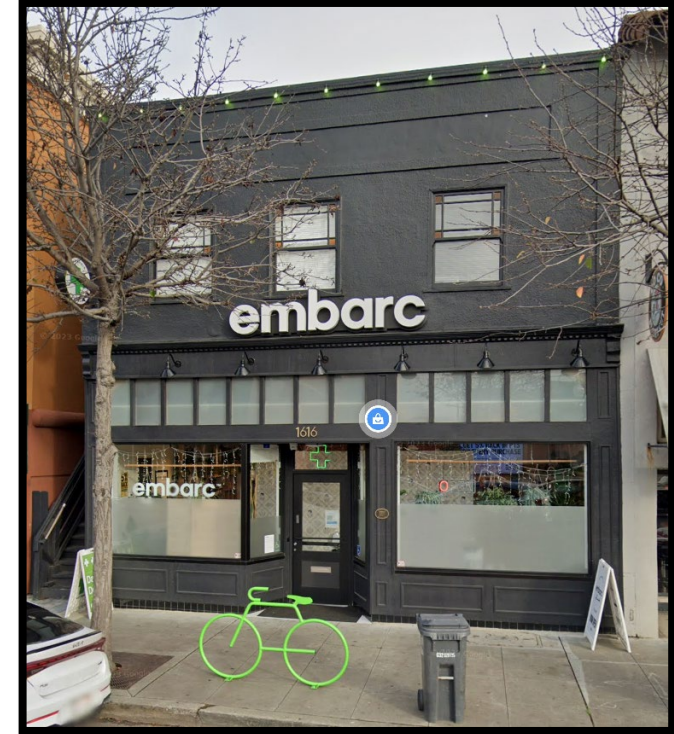
- Chapter 14-21 Signs

Zoning District	Area per linear foot of building frontage
IG, IP, CT, CV, CNS, CN, and CO	2 FT per linear foot – 300 SF max

- Sign Types
  - Awning signs
  - Monument signs
  - Wall signs
  - Directory signs
- Adjustment to sign standards
  - Low visibility commercial properties



# AMEND THE CANNABIS SIGN ORDINANCE WMC 14-53.401



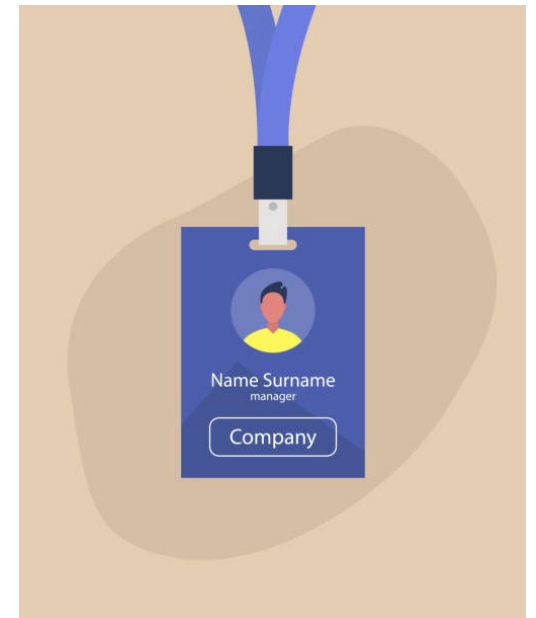
## MODIFY THE ANNUAL RENEWAL PROCESS WMC 14-53.114

- The City will remove the following submittal requirements:
  - A copy of the recorded deed vesting ownership of the parcel in the current owner.
  - Requirement to submit LiveScan background checks.
  - Requirement to submit security plan.
  - Vehicle registration and proof of insurance for all delivery vehicles.



## MODIFY THE REQUIREMENT FOR ANNUAL ID BADGES WMC 14-53.406

- ID badges are required for every owner, manager and employee
- Badges must be renewed annually
- The amended Ordinance will eliminate the requirement of annual ID badges



- The Ordinance does not allow ongoing application submittal for available non-retail licenses
  - Processing, manufacturing, non-storefront delivery, distribution
- The amended Ordinance would allow an unrestricted application period for non-retail cannabis permits.

LIMIT THE  
APPLICATION  
PERIOD ONLY  
FOR RETAIL  
CANNABIS  
PERMITS  
WMC 14-53.109

# INCREASE THE OPERATING HOURS FOR CANNABIS RETAIL

## WMC 14-53.306(Q)

Jurisdiction	Open	Closed
City of Monterey	9 AM	9 PM
City of Santa Cruz	7 AM	10 PM
City of Capitola	7 AM	10 PM
City of Salinas	6 AM	10 PM
County of Santa Cruz	8 AM	10 PM
County of Monterey	8 AM	8 PM

**City of Watsonville current Ordinance:**

**9 AM to 9 PM**

**State Guidelines:**

**7 AM to 10 PM**

**New Proposed Cannabis Retail Hours:**

**8 AM to 10 PM**

# REMOVE 24 HOURS ON-SITE SECURITY REQUIREMENTS FOR RETAIL

## WMC 14-53.404(13)



- 24-hour on-site security guards or alternative security such as actively managed video surveillance are required for retail businesses
- Amendment would limit 24-hour on-site security guard requirements to hours of operation and hours when employees are on-site with actively managed video surveillance after-hours

# LIMIT BACKGROUND CHECKS WMC 14-53.110

- Background checks are required for all owners and managers of the business
- Amendment would limit background checks to owners only

## STAFF RECOMMENDATION

Planning Commission recommends that the City Council adopt a Resolution recommending the City Council amend Chapters 14-16 (District Regulations) and 14-53 (Cannabis Facilities) of the Watsonville Municipal Code regarding cannabis facilities.