

Agenda Items: ID#20-00150 (1-Q)

Date: 1/30/2020

FRESNO CITY COUNCIL



Additional Information

Agenda Related Item(s) – ID#20-00150 (1-Q)

Item(s)

Action related to amending the Cannabis Retail Business and Commercial Cannabis Business Ordinance:

1. ***BILL NO. B-3 - (Intro. 1/16/2020) (For adoption) - Amending Sections 9-3306, 9-3307, 9-3308, 9-3309, 9-3310, 9-3311, 9-3312, 9-3313, 9-3314, 9-3316, 9-3317, 9-3318, 9-3319, 9-3321, 9-3325, 9-3328, 9-3335, and 9-3337 of the Fresno Municipal Code related to Cannabis Retail Business and Commercial Cannabis Business.
(Subject to Mayor's veto)

Contents: (2) Amended Ordinance

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF FRESNO, CALIFORNIA, AMENDING SECTIONS, 9-3306, 9-3307, 9-3308, 9-3309, 9-3310, 9-3311, 9-3312, 9-3313, 9-3314, 9-3316, 9-3317, 9-3318, 9-3319, 9-3321, 9-3325, 9-3328, 9-3335, AND 9-3337 OF THE FRESNO MUNICIPAL CODE RELATED TO CANNABIS RETAIL BUSINESS AND COMMERCIAL CANNABIS BUSINESS

THE COUNCIL OF THE CITY OF FRESNO DOES ORDAIN AS FOLLOWS:

SECTION 1. Subsection Section 9-3306 of the Fresno Municipal Code is amended to read:

SECTION 9-3306. – MAXIMUM NUMBER OF AUTHORIZED CANNABIS RETAIL BUSINESSES AND COMMERCIAL CANNABIS BUSINESSES PERMITTED.

[(a) The City Council approved the Cannabis Retail Business and Commercial Cannabis Business Ordinance to provide a permitting framework and regulatory requirements for Adult Use and Medicinal Use Cannabis businesses in December 2018.]

~~(a)~~[(b)] The number of cannabis retail businesses shall not exceed a total of fourteen (14) within the city. Up to seven (7) more [cannabis retail businesses] may be authorized by Council Resolution.

~~(b) Up to seven (7) cannabis businesses with an M-license from the state may be approved within the first year this Article is effective. One year from the effective date of this Article, seven (7) more cannabis retail businesses may~~

Date Adopted:

Date Approved

Effective Date:

City Attorney Approval:



Ordinance No.

~~be approved if the City Manager and Police Department determine that the city can accommodate more applications.~~

(c) Up to a total of sixteen (16) cultivators, distributors, or manufacturers may be issued a commercial cannabis business permit. No specific number of each type of business is required so long as the total number of commercial cannabis business permits issued for all three business types does not exceed a total of sixteen (16).

(d) There is no limit on the number of testing laboratories which may be issued a commercial cannabis business permit.

(e) The City Manager has discretion to limit the number of commercial cannabis permits to less than what is allowed in this Article. Nothing in this Article creates a mandate that the City Manager must issue any or all of the commercial cannabis business permits.

(f) Each year following the City Manager's initial award of permits, if any, or at any time in the City Manager's discretion, the City Manager may reassess the number of commercial cannabis business permits which are authorized for issuance.

SECTION 2. Subsection (a) of Section 9-3307 of the Fresno Municipal Code is amended to read:

(a) All cannabis retail businesses must be located on property zoned DTN (Downtown Neighborhood), DTG (Downtown General), CMS (Commercial Main Street), CC (Commercial Community), CR (Commercial Regional), CG (Commercial General), CH (Commercial Highway), NMX (Neighborhood Mixed-

Use), CMX (Corridor/Center Mixed Use), or RMX (Regional Mixed-Use),] and must meet all of the requirements for development in these zones.

SECTION 3. Subsection (c) of Section 9-3307 of the Fresno Municipal Code is amended to read:

(c) All ~~properties~~ [buildings] in which the [a] cannabis retail business is located shall be no closer than eight hundred (800) feet from any ~~parcel~~ [property boundary] containing any of the following, ~~measured in accordance with section 15-304 of this Code:~~

(1) A cannabis retail business.

(2) A school providing instruction for any grades pre-school through 12 (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12).

(3) A day care center licensed by the state Department of Social Services that is in existence at the time a complete commercial cannabis business permit application is submitted.

(4) A youth center that is in existence at the time a complete commercial cannabis business permit application is submitted.

SECTION 4. Subsection (c) of Section 9-3308 of the Fresno Municipal Code is amended to read:

(c) There shall be permitted eight (8) cultivators, distributors, or manufacturers located inside a Cannabis Innovation Hub or within one-half (1/2) mile of State Route 99 between Shaw Ave. and Clinton Ave., one (1) mile of State Route 99 north of Shaw Ave. or south of Clinton Ave., or within one (1) mile

of State Route 180 west of State Route 99, and must be zoned either IL (Light Industrial) or IH (Heavy Industrial), and must meet all of the requirements for development in these zones. The [All buildings in which a] cultivator, distributor, or manufacturer [is located] shall be ~~located~~ no closer than one thousand (1,000) feet from any ~~parcel~~ [property boundary] containing any of the following, ~~measured in accordance with section 15-304 of this Code:~~

(1) Any residentially zoned parcel in the city, including any legal non-conforming residential uses as of the date a complete commercial cannabis business permit application is submitted.

(2) A school providing instruction for any grades pre-school through 12 (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12).

(3) A day care center licensed by the state Department of Social Services that is in existence at the time a complete commercial cannabis business permit application is submitted.

(4) A youth center that is in existence at the time a complete commercial cannabis business permit application is submitted.

SECTION 5. Subsection (d) of Section 9-3308 of the Fresno Municipal Code is amended to read:

(d) All Cannabis Innovation Hubs must be located within one-half (1/2) mile of State Route 99 between Shaw Ave. and Clinton Ave., one (1) mile of State Route 99 north of Shaw Ave. or south of Clinton Ave., or within one (1) mile of State Route 180 west of State Route 99, and must be zoned either IL (Light

Industrial) or IH (Heavy Industrial), and must meet all of the requirements for development in these zones. All Cannabis Innovation Hubs [buildings] shall be located no closer than one thousand (1,000) feet from any ~~parcel~~ [property boundary] containing any of the following, ~~measured in accordance with section 15-304 of this Code:~~

(1) Any residentially zoned parcel in the city, including any legal non-conforming residential uses as of the date a complete commercial cannabis business permit application is submitted.

(2) A school providing instruction for any grades pre-school through 12 (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12).

(3) A day care center licensed by the state Department of Social Services that is in existence at the time a complete commercial cannabis business permit application is submitted.

(4) A youth center that is in existence at the time a complete commercial cannabis business permit application is submitted.

SECTION 6. Subsection (h) of Section 9-3309 of the Fresno Municipal Code is amended to read:

(h) Signage and Notices.

(1) Business identification signage shall conform to the requirements of Chapter 15, Article 26 of this Code, including, but not limited to, seeking the issuance of a city sign permit.

(2) No signs placed on the premises of a cannabis retail business or a commercial cannabis business shall obstruct any entrance or exit to the building or any window.

(3) Each entrance shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis or cannabis products on the premises or in the areas adjacent to the business is prohibited.

(4) Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. [Advertising shall not be visible from the exterior of the establishment and shall be prohibited on the exterior of the establishment.]

No cannabis retail business or commercial cannabis business may advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises or elsewhere including, but not limited to, the public right-of-way.

(5) Signage shall not be directly illuminated, internally or externally. No banners, flags, billboards or other prohibited signs may be used at any time.

(6) In accordance with state law and regulations, holders of a commercial cannabis business permit shall agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the holder of the permit shall be prohibited from advertising any commercial cannabis

business or cannabis retail business located in the city utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the state. This paragraph is not intended to place limitations on the ability of a commercial cannabis business or cannabis retail business to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways. In addition, any cannabis advertising, including such advertising that is not connected to a cannabis business operating in the city, using any means described above, is strictly prohibited within the city limits.

SECTION 7. Subsection (i) of Section 9-3309 of the Fresno Municipal Code is amended to read:

(i) Minors.

(1) Except as provided below, persons under the age of twenty-one (21) years shall not be allowed on the premises of a cannabis retail business or a commercial cannabis business and shall not be allowed to serve as a driver for a delivery service. It shall be unlawful and a violation of this Article for any person to employ any person who is not at least twenty-one (21) years of age.

(2) The entrance to a commercial cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the commercial cannabis business.

(3) Persons at least eighteen (18) years old shall be allowed on the premises of a medicinal cannabis retail business to purchase medicinal cannabis or medicinal cannabis products. The entrance to a medicinal cannabis retail business shall be clearly and legibly posted with a notice that no person under the age of eighteen (18) is permitted to enter upon the premises of the medicinal cannabis retail business.

[(4) It shall be a violation of this Article to sell medicinal cannabis or medicinal cannabis products to any person under the age of eighteen (18) or to sell cannabis or cannabis products to any person under the age of twenty-one (21).]

SECTION 8. Subsection (j) of Section 9-3309 of the Fresno Municipal Code is amended to read:

(j) Best available odor control technology and devices shall be incorporated in a cannabis retail business and a commercial cannabis business to ensure that odors from cannabis are not detectable off-site. A sufficient odor absorbing ventilation and exhaust system shall be provided so that odor generated inside the premises that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis retail business or commercial cannabis business. The following equipment, or any other equipment which the ~~Development and Resource~~

Management [Planning and Development] Director or his/her designee(s) determine is a more effective method or technology, must be installed and maintained:

(1) An exhaust air filtration system with odor control that prevents internal odors and pollen from being emitted externally;

(2) An air system that creates negative air pressure between the premises' interior and exterior, so that the odors generated inside the premises are not detectable outside the premises.

SECTION 9. Subsection (b)(1) of Section 9-3310 of the Fresno Municipal Code is amended to read:

(b) Security Measures.

(1) A permitted cannabis retail business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the cannabis retail business. Except as may otherwise be determined by the City Manager or his/her designee(s), these security measures shall include, but shall not be limited to, all of the following:

(i) Premises contain a secured lobby/trap room, where a customer first enters and awaits verification by the cannabis retail business that the customer is a qualified to purchase cannabis.

(ii) Premises contain only one entrance which members of the public enter and exit.

(iii) Premises shall have a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.

(iv) Premises shall have perimeter security and lighting, including motion sensors, as approved by the Chief of Police.

(v) Prevent individuals from remaining on the premises and nearby vicinity if they are not engaging in an activity directly related to the permitted operations of the cannabis retail business.

(vi) Establish limited access areas accessible only to authorized cannabis retail business personnel.

(vii) All cannabis and cannabis products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products shall be kept in a manner as to prevent diversion, theft, and loss.

~~(viii) Install 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the cannabis retail business which are open and accessible to the public, all interior spaces where cannabis, cash, or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color.~~

~~All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The cannabis retail business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager or his/her designee(s), and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the City Manager or his/her designee(s). Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the City Manager or his/her designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the cannabis retail business, and shall be capable of enlargement via projection or other means. Internet Protocol address information shall be provided to the Fresno Police Department by the cannabis retail business, to facilitate remote monitoring of security cameras by the Fresno Police Department or its designee.~~

[(viii) The applicant must install a fully functional color digital video camera system ("System") that meets the following requirements:

1. The System must continuously record, store,

be capable of playing back images and be fully functional at all times, including during any hours the business is closed. The System must be maintained in a secured location inside of the business.

2. The System shall have the correct date and time stamped onto the image at all times.
3. The camera storage capacity should be for at least ninety days. Such cameras must be capable of producing a retrievable and identifiable image than can be made a permanent record and that can be enlarged through projection or other means.
4. Digital video recorder must be capable of storing at least ninety days of real-time activities.
5. The System shall be capable of producing a CD or digital playback feature and may be provided to an authorized representative of the Fresno Police Department immediately, upon request for a criminal investigation and/or purposes of compliance only.
6. The interior of the business must have at least

one camera placed to focus on each cash register transaction to include the clerk as well as the customer waiting area. There should be at least one camera focused on the entrance and the camera view should clearly show an image of the color coded height tape installed on the inside of the door jamb.

7. There shall be exterior cameras placed so as to record activities in the primary customer parking areas of their business. These cameras should be of sufficient quality to be able to identify persons and or vehicles utilizing the business parking lot.
8. All interior cameras shall record in color.
9. All exterior cameras shall record in color and have automatic low light switching capabilities to black and white. Exterior cameras should be in weatherproof enclosures and located in a manner that will prevent or reduce the possibility of vandalism.
10. An inoperable System may be good cause for seeking revocation of the Permit.]

(ix) Sensors shall be installed to detect entry and exit from all secure areas, and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.

(x) Panic buttons shall be installed with direct notification to ~~Fresno Police Department~~ [a licensed security company] dispatch, and shall be configured to immediately alert dispatch for [that licensed security company] ~~the Fresno Police Department~~.

(xi) Any bars installed on the windows or the doors shall be installed only on the interior of the building.

(xii) Armed security personnel shall be on-site during operating hours. If armed security personnel are not on-site when the cannabis retail business is closed, a verified response security patrol shall be utilized. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager or his/her designee(s), with such approval not to be unreasonably withheld. Firearms shall be carried by security personnel at all times that they are on duty, except as otherwise authorized by the Chief of Police.

(xiii) Premises 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.

(xiv) Entrance areas are to be locked at all times and under the control of a designated responsible party that is either; (a) an employee of the cannabis retail business; or (b) a licensed security professional.

(xv) The interior must have at least one camera placed to focus on each transaction, to include the clerk as well as the customer waiting area. At least one camera should be focused on the entrance, and the camera view should clearly show an image of a color-coded height tape installed on the inside of the door jamb.

(xvi) An accounting software system in place to provide point of sale data as well as audit trails of both product and cash, where applicable.

(xvii) Demonstrate to the Chief of Police, City Manager or their designees, compliance with the state's track and trace system for cannabis and cannabis products [and all Cannabis regulations stated in the California Code of Regulations].

(xviii) State of the art network security protocols in place to protect computer information and all digital data.

(xix) Exterior vegetation shall be planted, altered, and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

SECTION 10. Subsection (b)(1) of Section 9-3311 of the Fresno Municipal Code is amended to read:

(b) Security Measures.

(1) A permitted distributor shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products. Except as may otherwise be determined by the City Manager or his/her designee(s), these security measures shall include, but shall not be limited to, all of the following:

(i) Premises shall have a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.

(ii) Premises shall have perimeter security and lighting, including motion sensors, as approved by the Chief of Police.

(iii) Prevent individuals from remaining on the premises if they are not engaging in an activity directly related to the permitted operations of the distributor.

(iv) Establish limited access areas accessible only to authorized personnel.

(v) All cannabis and cannabis products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant

and fire-resistant standards. All cannabis or cannabis products shall be kept in a manner as to prevent diversion, theft, and loss.

~~(vi) — Install 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces which are open and accessible to the public, all interior spaces where cannabis, cannabis products, cash, or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The distributor shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager or his/her designee(s), and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the City Manager or his/her designee(s). Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the City Manager or his/her designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the distributor, and shall be capable of enlargement via~~

~~projection or other means. Internet Protocol address information shall be provided to the Fresno Police Department by the distributor, to facilitate remote monitoring of security cameras by the Department or its designee.~~

[(vi) The applicant must install a fully functional color digital video camera system ("System") that meets the following requirements:

1. The System must continuously record, store, be capable of playing back images and be fully functional at all times, including during any hours the business is closed. The System must be maintained in a secured location inside of the business.
2. The System shall have the correct date and time stamped onto the image at all times.
3. The camera storage capacity should be for at least ninety days. Such cameras must be capable of producing a retrievable and identifiable image than can be made a permanent record and that can be enlarged through projection or other means.
4. Digital video recorder must be capable of storing at least ninety days of real-time

activities.

5. The System shall be capable of producing a CD or digital playback feature and may be provided to an authorized representative of the Fresno Police Department immediately, upon request for a criminal investigation and/or purposes of compliance only.
6. The interior of the business must have at least one camera placed to focus on each cash register transaction to include the clerk as well as the customer waiting area. There should be at least one camera focused on the entrance and the camera view should clearly show an image of the color coded height tape installed on the inside of the door jamb.
7. There shall be exterior cameras placed so as to record activities in the primary customer parking areas of their business. These cameras should be of sufficient quality to be able to identify persons and or vehicles utilizing the business parking lot.
8. All interior cameras shall record in color.
9. All exterior cameras shall record in color and

have automatic low light switching capabilities to black and white. Exterior cameras should be in weatherproof enclosures and located in a manner that will prevent or reduce the possibility of vandalism.

10. An inoperable System may be good cause for seeking revocation of the Permit.]

(vii) Sensors shall be installed to detect entry and exit from all secure areas, and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.

(viii) Panic buttons shall be installed with direct notification to ~~Fresno Police Department~~ [a licensed security company] dispatch, and shall be configured to immediately alert dispatch for ~~the Fresno Police Department~~ [that licensed security company].

(ix) Any bars installed on the windows or the doors of the premises shall be installed only on the interior of the building.

(x) Armed security personnel shall be on-site during all hours of operation or alternative security as authorized by the City Manager or his/her designee(s). Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager or his/her designee(s),

with such approval not to be unreasonably withheld. Firearms shall be carried by security personnel at all times that they are on duty, except as otherwise authorized by the Chief of Police.

(xi) Premises 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.

(xii) Entrance areas are to be locked at all times and under the control of a designated responsible party that is either; (a) an employee of the distributor; or (b) a licensed security professional.

(xiii) The interior must have at least one camera placed to focus on each transaction. At least one camera should be focused on the entrance, and the camera view should clearly show an image of a color-coded height tape installed on the inside of the door jamb.

(xiv) An accounting software system in place to provide point of sale data as well as audit trails or both product and cash, where applicable.

(xv) Demonstrate to the Chief of Police, City Manager or their designees, compliance with the state's track and trace system for cannabis and cannabis products [and all Cannabis regulations stated in the California Code of Regulations].

(xvi) Have state of the art network security protocols in place to protect computer information and all digital data.

(xvii) Exterior vegetation shall be planted, altered, and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

(xviii) Identify a designated security representative/liaison to the city, who shall be reasonably available to meet with the City Manager or his/her designee(s) regarding any security related measures or and operational issues. The designated security representative/liaison shall, on behalf of the distributor, annually prepare and submit to the District Commander of the Fresno Police Department a security plan for approval and maintain a copy of the current security plan on the premises of the business, to present to a peace officer immediately upon request that meets the following requirements:

1. Confirms that a designated Manager will be on duty during business hours and will be responsible for monitoring the behavior of patrons.

2. Identifies all Managers and their contact phone numbers.

3. Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the Manager's office.

4. Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.

5. Identify a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the commercial cannabis business, the parking lot, and any adjacent property under the business' control.

6. Confirm that the licensed security personnel shall regularly monitor the parking lot and any adjacent property to ensure that these areas are: (a) free of individuals loitering or causing a disturbance; (b) are cleared of patrons and their vehicles one-half hour after closing.

SECTION 11. Subsection (b)(1) of Section 9-3312 of the Fresno Municipal Code is amended to read:

(a) Security Measures.

(1) A permitted cultivator shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products and to deter and prevent the theft of cannabis and cannabis products at the commercial cannabis business. Except as may otherwise be determined by the City Manager or

his/her designee(s), these security measures shall include, but shall not be limited to, all of the following:

(i) Premises shall have a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.

(ii) Premises shall have perimeter security and lighting, including motion sensors, as approved by the Chief of Police.

(iii) Prevent individuals from remaining on the premises and nearby vicinity if they are not engaging in an activity directly related to the permitted operations of the cultivator.

(iv) Establish limited access areas accessible only to authorized personnel.

(v) Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live plants that are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.

~~(vi) Install 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the~~

~~premises, all interior spaces within the business which are open and accessible to the public, all interior spaces where cannabis, cannabis products, cash, or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The cultivators shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager or his/her designee(s), and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the City Manager or his/her designee(s). Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the City Manager or his/her designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the cultivation site business, and shall be capable of enlargement via projection or other means. Internet Protocol address information shall be provided to the Fresno Police Department by the cultivator, to facilitate remote monitoring of security cameras by the Fresno Police Department or its designee.~~

[(vi) The applicant must install a fully functional color digital video camera system ("System") that meets the following requirements:

1. The System must continuously record, store, be capable of playing back images and be fully functional at all times, including during any hours the business is closed. The System must be maintained in a secured location inside of the business.
2. The System shall have the correct date and time stamped onto the image at all times.
3. The camera storage capacity should be for at least ninety days. Such cameras must be capable of producing a retrievable and identifiable image than can be made a permanent record and that can be enlarged through projection or other means.
4. Digital video recorder must be capable of storing at least ninety days of real-time activities.

5. The System shall be capable of producing a CD or digital playback feature and may be provided to an authorized representative of the Fresno Police Department immediately, upon request for a criminal investigation and/or for purposes of compliance only.
6. The interior of the business must have at least one camera placed to focus on each cash register transaction to include the clerk as well as the customer waiting area. There should be at least one camera focused on the entrance and the camera view should clearly show an image of the color coded height tape installed on the inside of the door jamb.
7. There shall be exterior cameras placed so as to record activities in the primary customer parking areas of their business. These cameras should be of sufficient quality to be able to identify persons and or vehicles utilizing the business parking lot.

8. All interior cameras shall record in color.
9. All exterior cameras shall record in color and have automatic low light switching capabilities to black and white. Exterior cameras should be in weatherproof enclosures and located in a manner that will prevent or reduce the possibility of vandalism.
10. An inoperable System may be good cause for seeking revocation of the Permit.]

(vii) Sensors shall be installed to detect entry and exit from all secure areas, and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.

(viii) Panic buttons shall be installed with direct notification to ~~Fresno Police Department~~ [a licensed security company] dispatch, and shall be configured to immediately alert dispatch for ~~the Fresno Police Department~~ [that licensed security company].

(ix) Any bars installed on the windows or the doors shall be installed only on the interior of the building.

(x) Armed security personnel shall be on-site during all hours of operation. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services

personnel and shall be subject to the prior review and approval of the City Manager or his/her designee(s), with such approval not to be unreasonably withheld. Firearms shall be carried by security personnel at all times that they are on duty, except as otherwise authorized by the Chief of Police.

(xi) Premises 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.

(xii) Entrance areas are to be locked at all times and under the control of a designated responsible party that is either; (a) an employee of the cultivator; or (b) a licensed security professional.

(xiii) The interior must have at least one camera placed to focus on each transaction. At least one camera should be focused on the entrance, and the camera view should clearly show an image of a color-coded height tape installed on the inside of the door jamb.

(xiv) An accounting software system in place to provide point of sale data as well as audit trails of both product and cash, where applicable.

(xv) Demonstrate to the Chief of Police, City Manager or their designees, compliance with the state's track and trace system

for cannabis and cannabis products [and all Cannabis regulations stated in the California Code of Regulations].

(xvi) State of the art network security protocols in place to protect computer information and all digital data.

(xvii) Exterior vegetation shall be planted, altered and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

(xviii) Each cultivator shall identify a designated security representative/liaison to the city, who shall be reasonably available to meet with the City Manager or his/her designee(s) regarding any security related measures or and operational issues. The designated security representative/liaison shall, on behalf of the cultivator, annually prepare and submit to the District Commander of the Fresno Police Department a security plan for approval and maintain a copy of the current security plan on the premises, to present to a peace officer immediately upon request that meets the following requirements:

1. Confirms that a designated Manager will be on duty during business hours.
2. Identifies all Managers and their contact phone numbers.

3. Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the Manager's office.

4. Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.

5. Identify a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the premises, the parking lot, and any adjacent property under the business' control.

6. Confirm that the licensed security personnel shall regularly monitor the parking lot and any adjacent property to ensure that these areas are: (a) free of individuals loitering or causing a disturbance; (b) are cleared of patrons and their vehicles one-half hour after closing.

SECTION 12. Subsection (b)(1) of Section 9-3313 of the Fresno Municipal Code is amended to read:

(b) Security Measures.

(1) A permitted testing laboratory shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis and cannabis products. Except as may otherwise be

determined by the City Manager or his/her designee(s), these security measures shall include, but shall not be limited to, all of the following:

(i) Premises shall have a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.

(ii) Premises shall have perimeter security and lighting, including motion sensors, as approved by the Chief of Police.

(iii) Prevent individuals from remaining on the premises if they are not engaging in an activity directly related to the permitted operations of the testing laboratory.

(iv) Establish limited access areas accessible only to authorized personnel.

(v) All cannabis and cannabis products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products shall be kept in a manner as to prevent diversion, theft, and loss.

~~(vi) Install 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces which cannabis, cannabis products, cash, or currency is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis~~

~~could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The distributor shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager or his/her designee(s), and that it is compatible with the city's software and hardware. In addition, remote and real time, live access to the video footage from the cameras shall be provided to the City Manager or his/her designee(s). Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the City Manager or his/her designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the testing laboratory, and shall be capable of enlargement via projection or other means. Internet Protocol address information shall be provided to the Fresno Police Department by the testing laboratory, to facilitate remote monitoring of security cameras by the Department or its designee.~~

[(vi) The applicant must install a fully functional color digital video camera system ("System") that meets the following requirements:

1. The System must continuously record, store, be capable of playing back images and be fully functional at all times, including during any hours the business is closed. The System must be maintained in a secured location inside of the business.
2. The System shall have the correct date and time stamped onto the image at all times.
3. The camera storage capacity should be for at least ninety days. Such cameras must be capable of producing a retrievable and identifiable image than can be made a permanent record and that can be enlarged through projection or other means.
4. Digital video recorder must be capable of storing at least ninety days of real-time activities.
5. The System shall be capable of producing a CD or digital playback feature and may be provided to an authorized representative of the Fresno Police Department immediately, upon request for a criminal investigation and/or for purposes of compliance only.
6. The interior of the business must have at least

one camera placed to focus on each cash register transaction to include the clerk as well as the customer waiting area. There should be at least one camera focused on the entrance and the camera view should clearly show an image of the color coded height tape installed on the inside of the door jamb.

7. There shall be exterior cameras placed so as to record activities in the primary customer parking areas of their business. These cameras should be of sufficient quality to be able to identify persons and or vehicles utilizing the business parking lot.
8. All interior cameras shall record in color.
9. All exterior cameras shall record in color and have automatic low light switching capabilities to black and white. Exterior cameras should be in weatherproof enclosures and located in a manner that will prevent or reduce the possibility of vandalism.
10. An inoperable System may be good cause for seeking revocation of the Permit.]

(vii) Sensors shall be installed to detect entry and exit from all secure areas, and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.

(viii) Panic buttons shall be installed with direct notification to ~~Fresno Police Department~~ [a licensed security company] dispatch, and shall be configured to immediately alert dispatch for ~~the Fresno Police Department~~ [that licensed security company].

(ix) Any bars installed on the windows or the doors of the premises shall be installed only on the interior of the building.

(x) Security personnel shall be on-site during all hours of operation or alternative security as authorized by the City Manager or his/her designee(s). Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager or his/her designee(s), with such approval not to be unreasonably withheld.

(xi) Premises 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.

(xii) Entrance areas are to be locked at all times and under the control of a designated responsible party that is either;

(a) an employee of the testing laboratory; or (b) a licensed security professional.

(xiii) The interior must have at least one camera placed to focus on each transaction. At least one camera should be focused on the entrance, and the camera view should clearly show an image of a color-coded height tape installed on the inside of the door jamb.

(xiv) An accounting software system in place to provide point of sale data as well as audit trails or both product and cash, where applicable.

(xv) Demonstrate to the Chief of Police, City Manager or their designees, compliance with the state's track and trace system for cannabis and cannabis products [and all Cannabis regulations stated in the California Code of Regulations].

(xvi) Have state of the art network security protocols in place to protect computer information and all digital data.

(xvii) Exterior vegetation shall be planted, altered, and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

(xviii) Identify a designated security representative/liaison to the city, who shall be reasonably available to meet with the City Manager or his/her designee(s) regarding any security related measures or and operational issues. The designated security

representative/liaison shall, on behalf of the testing laboratory, annually prepare and submit to the District Commander of the Fresno Police Department a security plan for approval and maintain a copy of the current security plan on the premises of the business, to present to a peace officer immediately upon request that meets the following requirements:

1. Confirms that a designated Manager will be on duty during business hours and will be responsible for monitoring the behavior of patrons.
2. Identifies all Managers and their contact phone numbers.
3. Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the Manager's office.
4. Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.
5. Identify a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the testing laboratory, the parking lot, and any adjacent property under the business' control.

6. Confirm that the licensed security personnel shall regularly monitor the parking lot and any adjacent property to ensure that these areas are: (a) free of individuals loitering or causing a disturbance; (b) are cleared of patrons and their vehicles one-half hour after closing.

SECTION 13. Subsection (b)(1) of Section 9-3314 of the Fresno Municipal Code is amended to read:

(b) Security Measures.

(1) A permitted manufacturer shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis and cannabis products. Except as may otherwise be determined by the City Manager or his/her designee(s), these security measures shall include, but shall not be limited to, all of the following:

(i) Premises shall have a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.

(ii) Premises shall have perimeter security and lighting, including motion sensors, as approved by the Chief of Police.

(iii) Prevent individuals from remaining on the premises if they are not engaging in an activity directly related to the permitted operations of the manufacturer.

(iv) Establish limited access areas accessible only to authorized personnel.

(v) All cannabis and cannabis products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products shall be kept in a manner as to prevent diversion, theft, and loss.

~~(vi) Install 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces which are open and accessible to the public, all interior spaces where cannabis, cannabis products, cash, or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The manufacturer shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the city Manager or his/her designee(s), and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the City Manager or his/her designee(s). Video~~

~~recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the City Manager or his/her designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the manufacturer, and shall be capable of enlargement via projection or other means. Internet Protocol address information shall be provided to the Fresno Police Department by the testing laboratory, to facilitate remote monitoring of security cameras by the Department or its designee.~~

[(vi) The applicant must install a fully functional color digital video camera system ("System") that meets the following requirements:

1. The System must continuously record, store, be capable of playing back images and be fully functional at all times, including during any hours the business is closed. The System must be maintained in a secured location inside of the business.
2. The System shall have the correct date and time stamped onto the image at all times.
3. The camera storage capacity should be for at least ninety days). Such cameras must be capable of producing a retrievable and

identifiable image than can be made a permanent record and that can be enlarged through projection or other means.

4. Digital video recorder must be capable of storing at least ninety days of real-time activities.
5. The System shall be capable of producing a CD or digital playback feature and may be provided to an authorized representative of the Fresno Police Department immediately, upon request for a criminal investigation and/or for purposes of compliance only.
6. The interior of the business must have at least one camera placed to focus on each cash register transaction to include the clerk as well as the customer waiting area. There should be at least one camera focused on the entrance and the camera view should clearly show an image of the color coded height tape installed on the inside of the door jamb.
7. There shall be exterior cameras placed so as to record activities in the primary customer parking areas of their business. These

cameras should be of sufficient quality to be able to identify persons and or vehicles utilizing the business parking lot.

8. All interior cameras shall record in color.
9. All exterior cameras shall record in color and have automatic low light switching capabilities to black and white. Exterior cameras should be in weatherproof enclosures and located in a manner that will prevent or reduce the possibility of vandalism.
10. An inoperable System may be good cause for seeking revocation of the Permit.]

(vii) Sensors shall be installed to detect entry and exit from all secure areas, and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.

(viii) Panic buttons shall be installed with direct notification to ~~Fresno Police Department~~ [a licensed security company] dispatch, and shall be configured to immediately alert dispatch for that [licensed security company] ~~the Fresno Police Department~~.

(ix) Any bars installed on the windows or the doors of the premises shall be installed only on the interior of the building.

(x) Armed security personnel shall be on-site during all hours of operation or alternative security as authorized by the City Manager or his/her designee(s). Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager or his/her designee(s), with such approval not to be unreasonably withheld. Firearms shall be carried by security personnel at all times that they are on duty, except as otherwise authorized by the Chief of Police.

(xi) Premises 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.

(xii) Entrance areas are to be locked at all times and under the control of a designated responsible party that is either; (a) an employee of the testing laboratory; or (b) a licensed security professional.

(xiii) The interior must have at least one camera placed to focus on each transaction. At least one camera should be focused on the entrance, and the camera view should clearly show an image of a color-coded height tape installed on the inside of the door jamb.

(xiv) An accounting software system in place to provide point of sale data as well as audit trails or both product and cash, where applicable.

(xv) Demonstrate to the Chief of Police, City Manager or their designees, compliance with the state's track and trace system for cannabis and cannabis products [and all Cannabis regulations stated in the California Code of Regulations].

(xvi) Have state of the art network security protocols in place to protect computer information and all digital data.

(xvii) Exterior vegetation shall be planted, altered, and maintained in a fashion that precludes its use as a hiding place for persons on the premises.

(xviii) Identify a designated security representative/liaison to the city, who shall be reasonably available to meet with the City Manager or his/her designee(s) regarding any security related measures or and operational issues. The designated security representative/liaison shall, on behalf of the manufacturer, annually prepare and submit to the District Commander of the Fresno Police Department a security plan for approval and maintain a copy of the current security plan on the premises of the business, to present to a peace officer immediately upon request that meets the following requirements:

1. Confirms that a designated Manager will be on duty during business hours and will be responsible for monitoring the behavior of patrons.

2. Identifies all Managers and their contact phone numbers.

3. Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the Manager's office.

4. Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.

5. Identify a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the premises, the parking lot, and any adjacent property under the business' control.

6. Confirm that the licensed security personnel shall regularly monitor the parking lot and any adjacent property to ensure that these areas are: (a) free of individuals loitering or causing a disturbance; (b) are cleared of patrons and their vehicles one-half hour after closing.

SECTION 14. Subsection (b) of Section 9-3316 of the Fresno Municipal Code is amended to read:

(b) ~~At the time of filing, each applicant shall include a social equity element as part of the application. The contents of the social equity element are at the discretion of the applicant. The weight of the social equity portion of the application will be considered in the overall scoring of the application.~~

[SOCIAL POLICY.]

(1) Employment. Each applicant shall be required to hire individuals for a minimum of one-third (1/3) of the total annual work hours performed at the business who meets one of the following:

(i) Annual family income below 80% AMI;

(ii) Convicted for a cannabis related crime that could have been prosecuted as a misdemeanor or citation under current State law;

(iii) Lived in a low to moderate income census tract in the city for a minimum of three (3) years;

(iv) Veteran; or

(v) Former foster home youth who was in foster care as a minor.

_____ (vi) Unemployed; or

_____ (vii) Receiving public assistance.

If selected to receive a commercial cannabis business permit, a condition of approval shall be to provide the city with ongoing proof of compliance of this requirement.

(2) Labor Peace Agreements. A commercial cannabis business or cannabis retail business with ten (10) or more employees shall sign a labor peace agreement allowing employees to unionize without interference. Within sixty (60) days of its tenth (10th) hire, the commercial cannabis business or cannabis retail business shall sign such labor peace agreement or the commercial cannabis business permit shall be revoked in accordance with Section 9-3321 of this Article.

(3) Social Responsibility. At the time of filing, each applicant shall include a social responsibility element as part of the application. The contents of the social responsibility element are at the discretion of the applicant. The weight of the social responsibility portion of the application will be considered in the overall scoring of the application. Options for the social responsibility element may include, but are not limited to:

(i) Providing funding for or hosting expungement clinics or outreach services.

(ii) Incorporating an environmentally sustainable business model including energy efficient buildings and vehicles.

(iii) Providing a statement that the applicant will enter into, or demonstrate that it has already entered into, and abide by the terms of a labor peace agreement.

(iv) Utilizing vacant buildings, brownfields land, or blighted areas of the city for the business.

(4) Social Equity Applicant.

(i) A minimum of one (1) out of every seven (7) commercial cannabis business permits for cannabis retail businesses shall be awarded to an equity applicant. A maximum of two (2) out of every seven (7) commercial cannabis business permits for cannabis retail businesses may be awarded to an equity applicant.

(ii) A minimum of one (1) out of every eight (8) commercial cannabis business permits for commercial cannabis businesses shall be awarded to an equity applicant. A maximum of two (2) out of every eight (8) commercial cannabis business permits for commercial cannabis businesses may be awarded to an equity applicant.

(iii) To be considered an equity applicant, the majority ownership interest in the company applying must qualify under at least one of the following criteria:

1. Low income household and either:

a. A past conviction for a cannabis crime,

or

b. Immediate family member with a past conviction for a cannabis crime.

2. Low income household in a zip code identified as at least 60% according to the CalEnviroScreen for five (5) consecutive year period and either:

a. A past conviction for a cannabis crime,

or

b. Immediate family member with a past conviction for a cannabis crime.

3. Low income household and either:

a. Five (5) years cumulative residency in a zip code identified as at least 70% according to the CalEnviroScreen, or

b. Ten (10) years cumulative residency in a zip code identified by CalEnviroScreen.

4. Business with no less than fifty-one percent (51%) ownership by individuals who meet Criteria 1 and 2 above.

5. Cannabis social enterprise with no less than fifty-one percent (51%) ownership by individuals who meet Criteria 1 and 2 above.

a. Cannabis social enterprise shall mean a cannabis business in the city that incubates and/or employs individuals meeting Criteria 1 or 2 above and uses commercial strategies to maximize improvements in financial, social, and environmental well-being of the disadvantaged community the organization sits in. This may include maximizing

social impact alongside profits for external shareholders. It can be structured as a for-profit or non-profit organization and may take the form of a cooperative, mutual organization, a disregarded entity, a social business, a benefit corporation, a community interest company, a company limited by guarantee, or a charity organization. They can also take more conventional structures. Social enterprises have both business goals and social goals. As a result, their social goals are embedded in their objective, which differentiates them from other organizations and corporations.

6. An individual with a membership interest in a cannabis business formed as a cooperative.

(iv) The City Manager shall determine if an applicant meets the above criteria and qualifies as an equity applicant.

(v) If determined to not qualify as an equity applicant, the decision may be appealed in accordance with Section 9-3323 of this Article.

(vi) If qualified as an equity applicant, the equity applicant's fees shall be waived and commercial cannabis business permit application assistance and compliance assistance shall be

given. An equity applicant shall also be provided any other assistance as required by state law, as may be amended.

(vii) An Equity Assistance Program shall be established by the City Manager once funding becomes available. The program shall be contingent upon Council approval, and shall include, but not be limited to, the following elements:

1. Assistance in paying state regulatory and licensing fees;

2. Assistance securing business locations prior to or during the application process;

3. Assistance securing capital investments (excluding loans and grants from the city);

4. Assistance in recruiting, training, and retention of a qualified/diverse workforce; and

5. Business loans and/or grants to equity applicants.]

SECTION 15. Subsection (f) of Section 9-3316 of the Fresno Municipal Code is amended to read:

(f) At the time of filing, [no Applicant or Owner shall initiate, engage in, or continue any communication to or with any elected official or Planning Commissioner, and no elected official or Planning Commissioner shall initiate, engage in, or continue any communication to or with any Applicant or Owner, concerning or touching upon any matter which is the subject of this Article. The

~~application shall be rejected if prohibited communications take place.] the applicant shall become subject to Chapter 4, Article 6 of this Code, limiting communication between the applicant and Elected Officials. For the purposes of this section, the applicant shall be considered a "bidder" as defined in Chapter 4, Article 6.~~

SECTION 16. Subsection (h) of Section 9-3316 of the Fresno Municipal Code is amended to read:

(h) ~~After the initial [application] review [and preliminary elimination of applications, the City Manager shall provide notice by First Class mail delivery to all properties and property owners of record within a minimum 1,000-foot radius of the subject property as shown on the latest available assessment role. The City Manager shall also provide notice to the Councilmember whose district the business would be located in.], ranking, and scoring, the City Manager or his/her designee(s) will make a final determination in accordance with this section.~~

SECTION 17. Subsection (i) of Section 9-3316 of the Fresno Municipal Code is amended to read:

(i) ~~[After the final review, ranking, and scoring of applications, the City Manager or his/her designee(s) shall make a determination in accordance with this Article.] [THE CITY'S RESERVATION OF RIGHTS: The city reserves the right to reject any or all applications. Prior to permit issuance, the city may also modify, postpone, or cancel any request for applications, or the entire program under this Article, at any time without liability, obligation, or commitment to any party, firm, or organization, to the extent permitted under California state law.~~

~~Persons submitting applications assume the risk that all or any part of the program, or any particular category of permit potentially authorized under this Article, may be cancelled at any time prior to permit issuance. The city further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to any other justification provided a failure to comply with other requirements in this Article, an application RISKS BEING REJECTED for any of the following reasons:~~

- ~~(1) Proposal received after designated time and date.~~
- ~~(2) Proposal not containing the required elements, exhibits, nor organized in the required format.~~
- ~~(3) Proposal considered not fully responsive to this request for permit application.~~

SECTION 18. Section 9-3316 of the Fresno Municipal Code is amended by adding subsection (j) thereto to read:

[(j) THE CITY'S RESERVATION OF RIGHTS: The city reserves the right to reject any or all applications. Prior to permit issuance, the city may also modify, postpone, or cancel any request for applications, or the entire program under this Article, at any time without liability, obligation, or commitment to any party, firm, or organization, to the extent permitted under California state law. Persons submitting applications assume the risk that all or any part of the program, or any particular category of permit potentially authorized under this Article, may be cancelled at any time prior to permit issuance. The city further reserves the right to request and obtain additional information from any candidate

submitting an application. In addition to any other justification provided a failure to comply with other requirements in this Article, an application RISKS BEING REJECTED for any of the following reasons:

- (1) Proposal received after designated time and date.
- (2) Proposal not containing the required elements, exhibits, nor organized in the required format.
- (3) Proposal considered not fully responsive to this request for permit application.]

SECTION 19. Section 9-3317 of the Fresno Municipal Code is amended to read:

SECTION 9-3317. - PERMITTEE SELECTION PROCESS.

(a) The City Manager shall adopt a procedure guideline and Review Criteria by which the top applicants in each category of each commercial cannabis activity shall be evaluated with a final determination made by the City Manager [,which may be appealed to the City Council by the Councilmember whose district the business would be located in. Local preference shall be included in the Review Criteria].

(b) Within ten (10) days of the City Manager making a determination to issue a commercial cannabis business permit, notice of the determination shall be sent to all [properties and] property owners ~~located within one thousand feet~~ [of record within a minimum 1,000-foot radius] of the business location [as shown on the latest available assessment role, as well as the Councilmember whose district the business will be located in.]

(c) [Any decision of the City Manager regarding approval of a commercial cannabis business permit may be appealed to the City Council by: the applicant, the Mayor or the Councilmember whose district the business would be located in. Appeals must be initiated by filing a letter with the City Manager. Such action shall require a statement of reasons for the appeal. All appeals shall be filed with the City Manager in writing within 15 days of the date of the decision to issue a commercial cannabis business permit. A City Council hearing shall be set within twenty (20) days of the City Manager receiving an appeal. Ten (10) days prior to the scheduled City Council hearing, a notice of the hearing shall be sent to all properties and property owners of record within a minimum 1,000-foot radius of the business location as shown on the latest available assessment role, as well as the Councilmember who filed the appeal and the applicant.]

[(d)] Official issuance of the commercial cannabis business permit(s), is conditioned upon the prevailing candidate(s) obtaining all required land use approvals and a Cannabis Business License Tax certificate. Following the City Manager's selection, the prevailing candidate(s) shall apply to the city's ~~Development and Resource Management~~ [Planning and Development] Department to obtain all required land use approvals or entitlements for the permittee's location. Land use applications shall be reviewed by all active Council District Project Review Committees. Land use approvals shall include compliance with all applicable provisions of CEQA. The City Manager or his/her designee(s) shall formally issue the commercial cannabis business permit(s) once the ~~Development and Resource Management~~ [Planning and Development]

Director or his/her designee(s) affirms that all of the required land use approvals have been obtained and the City Controller affirms that a Cannabis Business License Tax certificate has been obtained.

~~(d) The City Manager's [Council's] decision as to the selection of the prevailing candidates shall be final. The City Manager's decision to deny a commercial cannabis business permit may be appealed to the Administrative Hearing Officer.~~

(e) Issuance of a commercial cannabis business permit does not create a land use entitlement. The commercial cannabis business permit shall only be for a term of twelve (12) months, beginning the day the commercial cannabis business permit is [physically] issued by the City Manager [once the required land use entitlement is obtained], and shall expire at the end of the twelve (12) month period unless it is renewed as provided herein. Furthermore, no permittee may begin operations, notwithstanding the issuance of a permit, unless all of the state and local laws and regulations, including but not limited to the requirements of this Article and of the permit, have been complied with.

(f) Notwithstanding anything in this Article to the contrary, the City Manager reserves the right to reject any or all applications if he/she determines it would be in the best interest of the city, taking into account any health, safety and welfare impacts on the community. Applicants shall have no right to a commercial cannabis business permit. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the City Manager may terminate or delay the program created under this Article.

(g) If an application is denied, a new application may not be filed for one (1) year from the date of the denial.

(h) Each person granted a commercial cannabis business permit shall be required to pay the permit fee established by resolution of the City Council, to cover the costs of administering the commercial cannabis business permit program created in this Article.

~~(i) As soon as reasonably practicable after the City Manager makes a decision to grant a commercial cannabis business permit, the City Manager shall report that decision to the Mayor and the Councilmember of the district in which the business is located, by sending the report by electronic mail and confirming that each received it.~~

SECTION 20. Section 9-3318 of the Fresno Municipal Code is amended to read:

SECTION 9-3318. - PERSONS PROHIBITED FROM HOLDING A COMMERCIAL CANNABIS BUSINESS PERMIT ~~OR EMPLOYEE WORK PERMIT.~~

(a) Any person, including but not limited to 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 in which any of the following actions or notices have been issued in non-compliance, shall be prohibited from holding a commercial cannabis business permit ~~or employee work permit~~ in the city. In addition, the following shall be grounds for denial of a commercial cannabis business permit ~~or employee work permit~~:

(1) The applicant has had a cannabis license or permit suspended or revoked by any city, county, city and county, or any other state cannabis licensing authority within five years of the date of the application;

(2) Evidence that the applicant was in non-compliance of properly paying federal, state, or local taxes and/or fees when notified by the appropriate agencies;

(3) As of the date of application submittal, applicant was conducting commercial cannabis activity in the city in violation of local and state law.

(4) The applicant was convicted of illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

(5) The applicant has been convicted of a violent felony, a crime involving moral turpitude, a crime involving lotteries, gambling, bookmaking, larceny, perjury, bribery, extortion, fraud, theft, or embezzlement, or has been convicted of prostitution, pimping, human trafficking, or pandering, or has been convicted of any crime substantially related to service or entertainment business;

(6) The applicant has been convicted of a crime involving dishonesty, fraud, or deceit with the intent to substantially benefit the applicant or benefit another, or substantially injure another;

(7) The applicant has violated any provisions of this Article;

(8) The applicant has knowingly made a false statement in his or her application or to any city officer, employee, or agent;

(9) The applicant has been noticed, charged, cited, or convicted of violating any law or ordinance relating to the operation of a commercial cannabis activity.

(b) No person shall be issued a commercial cannabis [business] permit to operate who enters into an agreement to lease, sublease or any other agreement, regardless of whether it is verbally or in writing to any terms of use of the premises from a property owner, commercial broker or any third party, unless that property is leased at fair market value and such lease, sublease, or agreement does not have any terms or conditions for the cannabis permit licensee to pay the property owner, commercial broker, or any third party a percentage of gross receipts, royalties, equity, or other unreasonable compensation as determined by the city. In addition, all leases, subleases, or other agreements must be based a monthly rate.

[(c) At the time of submission of an application for a commercial cannabis business permit, all operators, owners, investors, and managers of a commercial cannabis business or cannabis retail business shall submit

information for a background check, which shall include, but not be limited to, the following information:

(1) Name, address, and phone number of the applicant;

(2) A copy of a birth certificate, driver's license, government issued identification card, passport or other proof that the applicant is at least twenty-one (21) years of age must be submitted with the application;

(3) The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the City Manager or his/her designee(s).

(4) A signed statement under penalty of perjury that the information provided is true and correct.

(5) A fee paid in an amount set by resolution of the City Council in an amount necessary to cover the costs of administering the background check. The fee is non-refundable and shall not be returned in the event the permit is denied or revoked.

(d) The City Manager or his/her designee(s) shall review the application for completeness, shall conduct a background check, and shall not issue a permit if any grounds for denial of a permit listed above are found.]

SECTION 21. Section 9-3319 of the Fresno Municipal Code is amended to read:

SECTION 9-3319. – EMPLOYEE [REQUIREMENTS] ~~WORK—PERMIT~~
REQUIRED.

(a) Any person who is an employee or who otherwise works or volunteers within a commercial cannabis business or cannabis retail business must be legally authorized to do so under applicable state law.

~~(b) Any person who is an employee or who otherwise works or volunteers within a commercial cannabis business or cannabis retail business must obtain an employee work permit from the city prior to performing any work.~~

~~(c) Applications for an employee work permit shall be developed, made available, and processed by the City Manager or his/her designee(s), and shall include, but not be limited to, the following information:~~

~~(1) Name, address, and phone number of the applicant;~~

~~(2) A copy of a birth certificate, driver's license, government issued identification card, passport or other proof that the applicant is at least twenty one (21) years of age must be submitted with the application;~~

~~(3) Name and address of the commercial cannabis business or cannabis retail business where the person will be employed, and the name of the primary manager of that business;~~

~~(4) The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the City Manager or his/her designee(s).~~

~~(5) A signed statement under penalty of perjury that the information provided is true and correct.~~

~~(6) A fee paid in an amount set by resolution of the City Council in an amount necessary to cover the costs of administering the employee~~

~~work permit programs. The fee is non-refundable and shall not be returned in the event the work permit is denied or revoked.~~

~~(d) — The City Manager or his/her designee(s) shall review the application for completeness, shall conduct a background check, and shall not issue an employee work permit if any grounds for denial of an employee work permit listed in Section 9-3318 are found.~~

~~(e) — The City Manager or his/her designee(s) shall issue the employee work permit or a written denial to the applicant within thirty (30) days of the date the application was deemed complete. In the event the employee work permit cannot be issued within this time period, the City Manager or his/her designee(s) may issue a temporary employee work permit upon completing a preliminary background check and if the business can demonstrate to the City Manager or his/her designee(s) that the employee is necessary for the operation of the business. The temporary employee work permit may be immediately revoked by the City Manager or his/her designee(s) upon determination that the applicant has failed the background check or upon the issuance of the permanent employee work permit.~~

~~(f) — An employee work permit shall be valid for a twelve (12) month period and must be renewed on an annual basis. Renewal applications shall contain all the information required in subsection (b) above including the payment of a renewal application fee in an amount to be set by resolution of the City Council.~~

~~(g) In the event a person changes employment from one commercial cannabis business or cannabis retail business in the city to another, the employee work permit holder shall notify the City Manager or his/her designee(s) in writing of the change within ten (10) days, or the work permit shall be suspended or revoked, and such person shall not be permitted to work at any commercial cannabis business or cannabis retail business in the city.~~

~~(h) The city may immediately revoke the employee work permit should the permit holder be convicted of a crime listed in Section 9-3318 above or if facts become known to the City Manager or his/her designee(s) that the employee work permit holder has engaged in activities showing that he or she is dishonest.~~

~~(i) The City Manager or his/her designee(s) is hereby authorized to promulgate all regulations necessary to implement the employee work permit process and requirements.~~

~~(j) The applicant may appeal the denial or revocation of an employee work permit by filing a notice of appeal with the City Clerk within ten (10) days of the date the applicant received the notice of denial; such appeal shall be conducted as set forth in Chapter 1, Article 4 of this Code.~~

~~(k) The City Manager or his/her designee(s) shall issue an employee work permit in the form of a personal identification card that can be worn in a prominent and visible location. The identification card shall be maintained in good and readable condition at all times.~~

SECTION 22. Section 9-3321 of the Fresno Municipal Code is amended to read:

SECTION 9-3321. - REVOCATION OF PERMITS.

Commercial cannabis business permits may be revoked for any violation of any law, rule, regulation and/or standard adopted or if an application contained false information. [The revocation of a commercial cannabis business permit may be appealed in accordance with Section 9-3323.]

SECTION 23. Section 9-3325 of the Fresno Municipal Code is amended to read:

SECTION 9-3325. – CHANGES IN LOCATION OR OWNERSHIP REQUIRES RE-APPLICATION

(a) Any time a commercial cannabis business or a cannabis retail business has a change in location or business ownership, the applicant shall reapply with the City Manager or his/her designee(s). The process and the fees shall be the same as the process and fees set for an initial application as set forth in Section 9-3316.

[(1) Change in Business Ownership: A change in ownership for the replacement of any operator, owner, investor or manager, of a commercial cannabis business or a commercial retail business, shall only be considered at the same time as a renewal application and with the filing requirements as stated in Section 9-3322.]

(2) Social Equity Permits: A change in ownership for the replacement of any operator, owner, investor or manager, of a commercial cannabis business or a commercial retail business that was approved for a Social Equity permit by the City Manager due to the sale of that permit will require that the next available commercial business or commercial

retail business permit be awarded to a Social Equity Applicant to maintain the minimum number of Social Equity permits outlined in Section 9-3326(b)(4).]

(b) Within fifteen (15) calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of this Article, ~~including any change in the management members,~~ the applicant shall file an updated registration form with the City Manager or his/her designee(s) for review along with a registration amendment fee.

SECTION 24. Section 9-3328 of the Fresno Municipal Code is amended to read:

SECTION 9-3328. - CANNABIS CONDITIONAL USE PERMIT.

Prior to commencing operations, a commercial cannabis business or cannabis retail business must obtain the appropriate land use entitlement from the ~~Development and Resource Management~~ [Planning and Development] Department.

SECTION 25. Section 9-3335 of the Fresno Municipal Code is amended to read:

SECTION 9-3335. - INSPECTION AND ENFORCEMENT.

(a) The City Manager, or his/her designee(s) charged with enforcing the provisions of this Code, [as well as the City Attorney, or his/her designee(s) and the Chief of Police, or his/her designee(s).] may enter the location of a commercial cannabis business or cannabis retail business at any time, without notice, and inspect the premises as well as any recordings and records required

to be maintained pursuant to this Article or under applicable provisions of state law.

(b) It is unlawful for any person to impede, obstruct, interfere with, or otherwise not to allow, the city to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a commercial cannabis business or cannabis retail business under this Article or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial cannabis business or cannabis retail business under this Article or under state or local law.

(c) The City Manager, or his/her designee(s) charged with enforcing the provisions of this Article [,as well as the City Attorney, or his/her designee(s) and the Chief of Police, or his/her designee(s),] may enter the premises of a commercial cannabis business or cannabis retail business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the city shall be logged, recorded, and maintained in accordance with established procedures by the City Manager.

SECTION 26. Section 9-3337 of the Fresno Municipal Code is amended to read:

SECTION 9-3337. - EACH VIOLATION A SEPARATE OFFENSE.

Each and every violation of this Article shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the city. Additionally, as a nuisance per se, any violation of this Article shall be

subject to injunctive relief, any permit issued pursuant to this Article being deemed null and void, disgorgement and payment to the city for any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The city may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis business or cannabis retail business or persons related to, or associated with, the commercial cannabis activity. Additionally, when there is ~~determined to be an imminent threat to public health, safety or welfare~~[a violation of this Article], the City Manager, or his/her designee(s), may take immediate action to temporarily suspend a commercial cannabis business permit issued by the city.

SECTION 27. This ordinance shall become effective and in full force and effect at 12:01 a.m. on the thirty-first day after its final passage.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing ordinance was adopted by the Council of the City of Fresno, at a regular meeting held on the _____ day of _____ 2020.

AYES :
NOES :
ABSENT :
ABSTAIN :

Mayor Approval: _____, 2020
Mayor Approval/No Return: _____, 2020
Mayor Veto: _____, 2020
Council Override Vote: _____, 2020

YVONNE SPENCE, MMC CRM
City Clerk

BY: _____
Deputy Date

APPROVED AS TO FORM:
DOUGLAS T. SLOAN,
City Attorney

BY: _____
Rina M. Gonzales Date
Deputy City Attorney