



City Council Agenda

City of Campbell, 70 North First Street, Campbell, California

CAMPBELL CITY COUNCIL STUDY SESSION

Tuesday, October 4, 2016 - 6:00 p.m.

Council Chamber – 70 N. First Street

NOTE: No action may be taken on a matter under Study Session other than direction to staff to further review or prepare a report. Any proposed action regarding items on a Study Session must be agendaized for a future Regular or Special City Council meeting.

CALL TO ORDER, ROLL CALL

ORAL REQUESTS

NEW BUSINESS

1. **Medical Marijuana**

Recommended Action: Conduct study session and provide direction to staff.

ADJOURN

MEMORANDUM



City Manager's Office

To: Honorable Mayor and City Council

From: Margarita Mendoza, Administrative Analyst
William Seligman, City Attorney
Wendy Wood, City Clerk

Via: Mark Linder, City Manager

Subject: Study Session – Medical Marijuana

Date: October 4, 2016

PURPOSE

Discuss and consider a proposal from the petitioners of an ordinance initiative to allow permitting dispensaries, delivery and limited cultivation of medical cannabis and medical cannabis products in the City of Campbell.

BACKGROUND

In late January 2016, the City Council introduced an ordinance to impose a ban on marijuana processing, marijuana delivery, and marijuana dispensaries in the City of Campbell. On March 1, the Council approved the second reading of the ordinance thus adopting it as Ordinance 2197. However, the use of medical marijuana in the City remained legal and authorized, in accordance with State law.

The neighboring City of San José does have an active medical marijuana regulation program which currently permits 16 dispensaries. On August 18, 2016, staff also provided Council with information regarding the City of San José's regulations of medical marijuana dispensaries (Attachment 1). Although San José does not currently allow medical marijuana deliveries, San Jose's staff is researching potential policy and regulatory models to allow for deliveries.

DISCUSSION

On February 12, 2016, the City received a request from Kale Schulte (petitioner) to circulate an initiative petition to adopt a new City ordinance permitting dispensaries, delivery and limited cultivation of medical cannabis and medical cannabis products in the City of Campbell. This initiative petition included the text of the proposed ordinance. As required by the California Elections Code, the City Attorney prepared an official Title and Summary statement which had to be printed on each petition that was circulated. Signatures from ten percent of Campbell registered voters were required in order to qualify this initiative for the November 8, 2016 General Presidential Election ballot.

On May 20, 2016, the petitioner filed the signed petitions with the City Clerk's Office. The City Clerk began a first count of signatures to verify that the required number of signatures

was submitted. Once the number of signatures were counted, the City Clerk closely reviewed the petition language. It was upon this inspection that the City Clerk found that the petition omitted language of the Title and Summary that was prepared and approved by the City Attorney. On May 24, the City Clerk notified the petitioner that the initiative petitions submitted omitted the words “land, unless the commercial cannabis activity is separated from the residentially zoned property” from the eighth sentence of the Title and Summary. Given the omission, the City Clerk is legally obligated to reject the petition (Attachment 2).

After this rejection, a revised petition for a similar initiative ordinance was submitted on June 22, 2016. If it were to receive a qualifying number of signatures, the Council would need to either adopt the initiative ordinance itself, or place it before the voters. If the petition were to be signed by 15% of the registered voters in the City, the City would be required to hold a Special Election, unless the Council adopted the ordinance. If the petition were to be signed by 10% of the registered voters, it would be scheduled for a regular election, if the Council did not adopt it. The cost for a Special Election would be \$220,000 for a vote-by-mail only election, and \$380,000 for an election where polling places would open.

When the petitioners learned of the additional costs to the City, they asked if the City would be willing to discuss a compromise. The City Attorney advised that once signatures were submitted it would be too late to create a compromise.

On August 30, Mayor Baker, the City Manager, City Clerk, and City Attorney met with petitioner to discuss a possible compromise. Mayor Baker clearly stated that he had concerns about any ordinance that would allow cultivation and dispensaries close to residences. Following this meeting, the proponents submitted a list outlining their position such as maintaining cultivation on a pilot basis, as well as permitting dispensaries in Planned Development areas, commercial and industrial zones. The number of dispensaries remained at three. The bulleted items are as follows:

- Delivery – Three licensed dispensaries in Campbell will be allowed to deliver to patients in Campbell.
- Zoning - Number of eligible zones (3) that currently exist from the original number (7) of eligible zones, including downtown which was removed.
- Cultivation:
 - A 6-12 month moratorium on individual cultivation rights from the time the ordinance is enacted. Petitioner could potentially consider a full ban on cultivation.
 - No large-scale cultivation of any kind is permitted in the City of Campbell.
 - The allowance for caregivers to cultivate up to 500 sq. ft. of space will be removed to not invite people to grow for profit rather than personal use.
 - It is the right of the property owner(s) to restrict indoor and outdoor cultivation of a tenant despite the legality of the action.

Representatives of the City countered that the City may be willing to discuss the permitting of up to three dispensaries located only in commercial and industrial areas, no cultivation and deliveries by employees of the dispensaries only, subject to the approval of the Council.

On September 16, a second meeting was held with the petitioners, the City Clerk and City Manager. At that meeting, the petitioners proposed two options that eliminated 90% of the Planned Development areas leaving only those along Winchester Boulevard, Bascom Avenue, and Hamilton Avenue. One option also eliminated cultivation. The two options are summarized by the table below.

Option 1	Option 2
Allow for 2 dispensaries including PD zones	Allow for 3 dispensaries including PD zones
Allow up to 250 sq. ft. of personal cultivation	No cultivation permitted of any kind.
Place two restrictions on zoning: a. The dispensary location is only permitted on the main thoroughfares including (Winchester, Hamilton and Bascom). b. The main entrance to the dispensary must be facing the main thoroughfares including (Winchester, Hamilton and Bascom).	Place two restrictions on zoning: a. The dispensary location is only permitted on the main thoroughfares including (Winchester, Hamilton and Bascom). b. The main entrance to the dispensary must be facing the main thoroughfares including (Winchester, Hamilton and Bascom).

The petitioners have indicated that they would like to wait no more than four weeks to come to a compromise and formally withdraw the initiative or submit the signed petitions to seek a special election.

Since this meeting, the City Attorney has advised staff that even though the ordinance would allow dispensaries in certain areas of the Planned Development zone, nothing in the ordinance removes the discretion that the City has to condition or deny a Planned Development Permit for any use that the decision making body found was not harmonious with development of the immediate area, or would be detrimental to the welfare of the neighborhood or of the city as a whole.

For your reference, the first and second proposed initiative ordinances are attached (Attachments 3 and 4).

FISCAL IMPACT

There are several costs related to permitting dispensaries, delivery and limited cultivation of medical cannabis and medical cannabis products. As staff learned from speaking to and reading reports related to San José's medical marijuana program—the cost of regulating and monitoring its 16 dispensaries was \$1,913,237 in fiscal year 2015-16. San José collects an annual fee of \$95,661 to off-set the cost of the monitoring, as well as collecting an additional 10% gross receipts tax on medical cannabis sales, which brought in an estimated \$5 million this past year. Although the number of permitted dispensaries in this ordinance is significantly lower, current staff could not absorb this work load. The City would likely need to hire new staff in Code Enforcement and assign Police and Finance department staff with specific duties relating to medical cannabis. An Operating Fee and tax on gross sales could be considered to offset the fiscal impact, but voter approval is required in order to impose the gross receipts tax.

There are also fiscal impacts resulting from the filing of an initiative petition. As mentioned earlier, there is a cost just to hold the special election, but there are other ancillary costs that also have an impact on our budget, such as:

Santa Clara County Registrar of Voters (SCC ROV) Fees. The City has to pay the SCC ROV to verify the signatures on the filed initiative petitions. Depending on whether the City conducts a "sample" or "full" check of the signatures, the fees vary between \$8,300 - \$52,700 (based on a 500 signature random verification and 5,000 signature full verification). Please be advised that these amount are estimates only and are subject to change upon final computation of the actual cost.

- The Council could direct staff to conduct either a "sample" or "full" signature check; however, if the City opts for a "sample" check which results in 95-110% of valid signatures, a "full" signature check will be required, thus incurring additional fees.

Election Timing and Fees. Should the initiative petition receive the required number of signatures, the following are considerations related to dates and fees:

- **Vote-by-mail only option.** Cost for this type of election is \$220,000.
- The City Clerk has spoken extensively with the SCC ROV and has found that the according to California Elections Code 1500, there are only three established dates in which vote-by-mail elections could be held. Of the three dates, only May 2, 2017 would seem to fit the desired timeline of the petitioner.

In order to meet this target date, there are other actions and strict timelines which must also be met. Some of these actions and timelines are up to the petitioner and the City cannot dictate the petitioners chosen actions or timelines. It is important to note that any delays or deviations from the process would likely result in the City missing the narrow window to place the initiative ordinance on the ballot via a vote-

by-mail option on May 2, 2017 and thus requiring an election where both polling locations and vote-by-mail options are available. The following are the actions and estimated calendar timelines that are required should the Council prefer the vote-by-mail option:

- Petition filed with the City Clerk (at petitioners discretion)
 - Window for SCC ROV to certify signatures: 30 days (excluding Saturdays, Sundays, and Holidays) for “sample” check; additional 30 days (excluding Saturdays, Sundays, and Holidays) for “full” check.
 - Once SCC ROV certifies the signatures, the City Council is required to call the election within 30 days (excluding Saturdays, Sundays, and Holidays).
 - The election must then be held no earlier than 88 days, but no later than 103 days after the Council action to call the election.
- **Special election with polling locations and vote-by-mail.** Cost for this type of election is \$380,000 and can be held on any Tuesday except on the day before, day of, or day after a State holiday.

ALTERNATIVES

Council could direct staff with the following options:

1. Return to Council at a regular meeting with a proposed ordinance based on one of the two options proposed by the petitioner.
2. Direct staff to negotiate a more limited proposal.
3. Direct staff to end discussions with the proponents and let the special election process continue.
4. If there are sufficient valid signatures on the petition to require an election, direct staff to prepare an alternative measure for the special election and/or a gross receipts tax proposal.

Attachments:

1. Medical Marijuana Regulations in San José (Information Memorandum)
2. Letter from City Clerk rejecting the initiative petition
3. First proposed initiative ordinance
4. Second proposed initiative ordinance

MEMORANDUM



City Manager's Office

To: Honorable Mayor and City Council

From: Margarita F. Mendoza, Administrative Analyst

Via: Mark Linder, City Manager

Subject: Medical Marijuana Regulations in San José

Date: August 18, 2016

INFORMATION

The City of San José's Medical Marijuana Program is contained within the following ordinances:

- The Regulatory Ordinance, which regulates how medical marijuana collectives shall operate; and
- The Zoning Ordinance, which regulates where medical marijuana collectives may locate.

Under the Regulatory Ordinance, the City Manager may require additional regulations as necessary for the Program. The regulations apply to all types of medical marijuana operations including collectives, dispensaries, manufacturing facilities, delivery services, cultivation, extraction, etc.

San José's Zoning Ordinance allows collectives to locate in the following zoning districts: Light Industrial, Heavy Industrial, Combined Industrial/Commercial, Industrial Park, and Downtown Primary Commercial (2nd Story only). They are not allowed in Planned Development districts, residential, or other commercial zones. They also are not allowed in three development policy areas in North San José, Edenvale, or the International Business Park. To protect certain operations, collectives are not allowed to locate within:

- 1,000 feet of public or private preschools, elementary schools, or secondary schools; child daycare centers; community and recreation centers; parks; or libraries
- 500 feet of substance abuse rehabilitation centers or emergency residential shelters
- 150 feet of places of religious assembly; adult daycare centers; or residential uses (including legal non-conforming residential uses)
- 50 feet of another collective

Restrictions on who can own, manage or work at collective include:

- At least 21 years old of age
- Not serving parole/probation for possession, sale, distribution or transportation of controlled substance
- Must not have a conviction for crime of moral turpitude

- Must not have a misdemeanor/felony in past 10 years involving:
- Use of violence, force, fear, fraud or deception
- Unlawful possession, sale, manufacture, use, distribution or transportation of a controlled substance;
- May not use money to engage in criminal activity.

Collectives are subject to inspection by the City and other authorities at any time. They must comply with all security requirements and requirements for cultivation, processing, manufacturing, and transferring medical marijuana, as well as state and local laws.

Collectives cannot violate the City's Good Neighbor Rules. Collectives cannot create a public nuisance. There is to be no onsite consumption of medical marijuana. In addition, the collective cannot have any of the following activities occurring onsite or within 300 feet of their property:

- | | |
|------------------------------|--------------------------|
| a. Disturbance of the peace; | g. Sale of stolen goods; |
| b. Illegal drug activity; | h. Public urination; |
| c. Public Drunkenness; | i. Theft; |
| d. Drinking in public; | j. Assaults; |
| e. Gambling; | k. Batteries; or |
| f. Prostitution; | l. Acts of vandalism |

As of October 2014, 16 collectives (out of 65 applications) were approved for registration with the City's Medical Marijuana Regulation Program. The registration process required Collectives to submit both a Registration Application, establishing they would operate in compliance with the Regulatory Ordinance; and a Zoning Code Verification Certificate establishing that they were operating in an area that complied with the Program's land use ordinance. Dispensaries/Collectives that did not complete all required applications, pay for associated permit fees, or comply with the land use ordinance were not selected.

The first phase was to comply with zoning laws, and receive a Zoning Code Verification Certificate. Only 29 of the 65 applications received this certificate. The rest then proceeded through the second phase of the registration process, the review and processing of their Registration Application. That process involved verification of payment of the City's Marijuana Business Tax (MBT), a criminal background check of individuals involved in the Collective's operations and a site inspection of the Collective's premises. Some were disqualified during this phase for reasons ranging from failure to pay the City's MBT to failure to provide information required.

At this time, San José is no longer taking applications for new collectives and only the City Council can reopen the application period.

Fees and charges

In Fiscal Year 2015-16, the City anticipates that it will collect \$5 million in Marijuana Business Tax Revenue, plus an additional \$1,530,576 from the Annual Operating Fee. The

City also receives its local share of the State sales tax from medical marijuana sales. The following fees and charges are authorized under the Municipal Code and Fees and Charges schedule:

Application receipt fee for the cost to the city of accepting an application for registration;	\$94 per application
Application processing fee for the cost to the city of processing an application for registration;	\$2,145 per application,
Hourly investigation fee for any costs incurred by the city above those costs included in the application processing fee which are associated with further investigation and review of an application for registration;	Code Enforcement Hourly Inspection Fee of \$126.50 per hour after 1 hour; plus Police Hourly Investigation Fee of \$97 per hour after 15 hours; plus \$162 per employee above 4.
Annual operating fee for the cost to the city of operating a medical marijuana regulatory program. A collective shall have the option of paying the medical marijuana operating fee in annual, semi-annual, or <u>quarterly payments</u> .	\$95,661
Medical marijuana collective amendment fee for the cost to the city of reviewing amendments to the registration form filed by the collective; and	\$1,659 per application, plus hourly investigation fee for any costs incurred by the City
Medical marijuana collective renewal registration fee for the cost to the city of processing an application to renew a collective's registration.	\$2,145 plus hourly investigation fee for any costs incurred by the City
Zoning Code Verification Certificate and Processing Fee	\$1,156.50; plus Planning Services Hourly Inspection of \$154 per hour after 6 hours; plus Code Enforcement Hourly Inspection Fee of \$126.50 per hour after 1 hour
Marijuana Business Tax	10% of Gross Receipts (approved by Voters).

Cultivation and Deliveries

Collectives are allowed to manufacture at either their dispensing location or their off-site cultivation location, if those sites are not one and the same. The City regularly inspects off-site cultivation locations for compliance with the Regulatory Ordinance. If the manufacturing occurs outside of San José and within one of the counties specified in the Regulatory Ordinance, the Collective is still responsible for finding a location where the activity is allowed by the jurisdiction in which the location is situated.

San José follows State law (Proposition 215) in regards to personal cultivation. Medical marijuana patients can cultivate up to 100 square feet for personal use, and primary caregivers with five or fewer patients are allowed up to 500 square feet. However, under Proposition 215, local governments may further restrict or ban the cultivation of medical marijuana.

Currently, delivery businesses are illegal in San José, and any businesses that deliver are doing so in violation of local and state law. Violators are subject to closure and fines of up to \$50,000 per offense, per day, as well as criminal prosecution. However, staff is in the process of developing policy guidelines to allow deliveries. The draft policy and process will be presented to the City Council in October 2016 and may include various “trace and track” mechanisms to allow for the tracking of medical marijuana, GPS location of the driver, and various notifications related to the delivery process.

Next Steps

For the past two years, the rules and regulation of medical marijuana have been handled by a multi-departmental team (Finance, Police, Code Enforcement, City Attorney, and the City Manager’s Office). Staff is in the process of formalizing the work of the Medical Marijuana team into a division in the Police Department. A civilian Division Manager will be hired to oversee the regulation and future policy work related to marijuana collectives. The Annual Operating Fee is expected to increase to \$149,000 in FY 17-18.

Attachments:

1. Registration Application
2. Zoning Code Verification Application
3. Marijuana Business Tax Form

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE



SAN JOSE POLICE DEPARTMENT



GENERAL REQUIREMENTS

This Application for Registration as a Medical Marijuana Collective (“Application”) and its attachments shall be completed by each medical marijuana establishment (“Collective”) seeking to register and legally operate in the City of San Jose. If the Collective strictly complies with Chapter 6.88 of the San Jose Municipal Code (“SJMC”) and is issued a Notice of Completed Registration (“Registration”) by the City of San Jose, the Registration shall expire after one (1) year of its issuance and the Collective shall thereafter be responsible for applying to renew that Registration on an annual basis and pay any associated renewal fees.

Any time a Collective desires to relocate its dispensing or cultivation location or premises, the Collective shall first complete a new Application and shall be subject to the same process and fees set forth for the issuance of Registration in SJMC Section 6.88.330.

For any other change in the information provided in this Application and its attachments, including any change in the Collective’s owners or managers, the Collective shall, within fifteen (15) calendar days, file an updated Application, along with any associated amendment fees, as set forth in SJMC Section 6.88.380.

A Registration issued by the City of San Jose is merely an acknowledgement of the Collective’s compliance with the requirements of Chapter 6.88 of the SJMC and its ability to assert an affirmative defense to civil and criminal enforcement of the SJMC based solely upon conduct which is in strict compliance with the provisions of Chapter 6.88 and the provisions of Title 20 of the SJMC relating to medical marijuana. Any Collective submitting this Application should have no expectation that the City will issue the Collective a Registration, or that once a Registration is issued, it will continue to be valid.

The definitions set forth in Chapter 6.88 of the SJMC shall govern this Application and the interpretation of this Application.

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

COLLECTIVE INFORMATION:

(1) Legal Name of Collective, including any dba's:

(2) Applicant entity structure: _____Corporation _____Unincorporated Association _____Other
If "Other," describe entity structure: _____

(3) If Collective is incorporated, attach a copy of the Collective's Articles of Incorporation, Certificate of Amendment, Statement of Information, By Laws, Restated Articles of Incorporation, and the most recent Annual Report of Officers and Directors; all, as certified by the Secretary of State.

(4) If Collective is an unincorporated association and filed a Statement by Unincorporated Association with the Secretary of State, attach a copy of each Statement By Unincorporated Association, Registration of Unincorporated Nonprofit Association, and original and amended Articles of Association; all, as certified by the Secretary of Sate.

(5) If Collective is an informal unincorporated association, attach copies of the Collective's fully executed Articles of Association (aka Charter or Constitution).

(6) How long has the Collective entity existed? _____

DISPENSING SITE:

(7) Physical Address(es) of premises and location(s) from where Collective will be dispensing medical marijuana (a P.O. Box will not satisfy this requirement): _____

(8) Physical Description of premises and location(s) from where Collective will be dispensing medical marijuana (e.g., one-story commercial building, etc.): _____

(9) Identify owner(s) of property listed in Item No. (7) of this Application. If more than one person owns the property, list all the owners here. If necessary, attach additional sheets of paper to identify multiple owners: _____

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

(10) Authorization to Use property or location listed in Item No. (7): If the Collective rents, leases, or is in the process of purchasing the property listed in Item No. (7), check the appropriate boxes below to verify that the Collective notified the owner(s), landlord(s) and leasing agent(s) of the proposed use.

_____ Attached is a fully executed copy of the rental/lease agreement, and/or purchase agreement which includes the purpose for which the property will be used.

_____ Attached is an original fully executed letter of authorization to use the property as a Collective signed by each owner, landlord and leasing agent or equivalent.

NOTE: If the property listed for Item No. (7) is owned, rented or leased by more than one person, a separate authorization must be submitted for each owner, landlord and leasing agent or equivalent. Please attach additional authorizations to this Application.

(11) Onsite landline telephone number(s) for the Collective at the premises and location(s) from where Collective will be dispensing medical marijuana: _____

(12) FAX number(s) for Collective at the premises and location(s) from where Collective will be dispensing medical marijuana: _____

(13) Collective’s website address (if one already exists): _____

(14) Name person who will be serving as the “on-site designated representative” at the premises or location from where the Collective will be dispensing medical marijuana: _____

(15) Identify the daily hours of operation proposed by the Collective site listed in Item No. (7) of this application:

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday

CULTIVATION SITE (If Different Than Collective’s Dispensing Site):

Collective(s) are authorized to cultivate medical marijuana at one (1) off-site location either within the City of San Jose or within one of the following counties: Alameda, Merced, Monterey, San Benito, San Joaquin, San Mateo, Santa Clara, Santa Cruz, or Stanislaus. If the Collective will be cultivating medical marijuana at a location that is separate from where it will be dispensing medical marijuana, the Collective shall provide the following information:

(16) Physical Address of the premises or location from where the Collective will be cultivating medical marijuana (a P.O. Box will not satisfy this requirement): _____

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

(17) Physical description of the premises or location from where the Collective will be cultivating medical marijuana (e.g., one-story commercial building, etc.): _____

(18) Name, Address & Phone Number of the owner(s) of the property listed in Item No. (16) of this Application. If more than one person owns the property, provide information for all the owners. If necessary, attach additional sheets of paper to identify multiple owners: _____

(19) Authorization to use property or location listed in Item No. (16): If the Collective rents, leases, or is in the process of purchasing the property listed in Item No. (16), check the appropriate boxes below to verify that the Collective notified the owner(s), landlord(s) and leasing agent(s) of the proposed use.

_____ Attached is a fully executed copy of the rental/lease agreement, and/or purchase agreement which includes the purpose for which the property will be used.

_____ Attached is an original fully executed letter of authorization to use the property as a Collective signed by each owner, landlord and leasing agent or equivalent.

NOTE: If the property listed for Item No. (16) is owned, rented or leased by more than one person, a separate authorization must be submitted for each owner, landlord and leasing agent or equivalent. Please attach additional authorizations to this Application.

(20) Onsite landline telephone number(s) for the Collective at the premises or location from where the Collective will be cultivating medical marijuana: _____

(21) FAX number(s) for Collective at the premises or location from where Collective will be cultivating medical marijuana: _____

(22) Name, Address & Phone Number of person who will be serving as the “on-site designated representative” at the premises or location from where the Collective will be cultivating medical marijuana: _____

(23) Identify the daily hours of operation proposed by the Collective site listed in Item No. (16) of this Application:

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

REPRESENTATION:

(24) Name, Address & 24-hour telephone number of attorney or other agent authorized to represent the Collective (a P.O. Box will not satisfy this requirement): _____

(25) Name, Address & 24-hour telephone number of person authorized to accept service of process on behalf of the Collective, if different than the person listed in Item No. (24) of this application (a P.O. Box will not satisfy this requirement): _____

(26) The total number of Collective members as of the date this Application was submitted: _____

(27) Has the Collective previously operated in this City or any other state, county or city? _____

- (a) If "Yes," did said operation occur under a license, permit or other regulatory program? _____
- (b) If "Yes," list the state, county or city and provide the name of the license/permit or program of the issuing or regulating state, county or city. If applicable, provide the license and/or permit identification numbers: _____

(c) Please advise whether the previously issued licenses or permits were revoked or suspended and the reasons why: _____

ACCOUNT INFORMATION & OPERATIONS PLAN:

(28) Attach a separate sheet of paper providing identifying information for all savings accounts, checking accounts, investment accounts and trusts associated with the operation of the Collective.

(29) Attach the Collective's Operations Plan, which shall be in conformance with Section 6.88.330(A)(1)(i) of the SJMC and include:

- (a) A Management Plan naming the managers for the Collective and detailing each manager's responsibilities;
- (b) A list of managers responsible for receiving, logging, and responding to complaints regarding the Collective;
- (c) A Security Plan which identifies the Collective's security personnel; provides documentation of the proper certification of that personnel by the State, as required by SJMC Section 6.88.420; details the security measures for all locations and premises used by the Collective, including those requirements set forth in Chapter 6.88; and provides the URL address of the on-site web-based video surveillance required pursuant to SJMC Section 6.88.420;

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

- (d) A copy of the Collective’s rules and regulations which comply with those requirements set forth in Chapter 6.88 of the SJMC;
- (e) A copy of the Collective’s cultivation procedures including a detailed explanation of how chemicals and fertilizers will be stored and what measures will be taken to minimize or offset energy use from the cultivation or processing of medical marijuana and what measures will be taken to comply with the requirements of Chapter 6.88 of the SJMC;
- (f) A site floor plan which details the layout of all locations and premises being utilized by the Collective. Include all areas adjacent to those locations and premises, including parking lots, which are owned or controlled by the Collective; and
- (g) An odor management plan detailing steps the Collective will take to install air purification systems and air scrubbers to ensure that the odor of medical marijuana will not emanate beyond the walls of the Collective’s locations or premises.

(30) If edible medical marijuana products will be manufactured/processed at the Collective’s premises or location(s) located in the City of San Jose, describe the type of products that will be manufactured/processed:

(31) Attach proof of payment of any applicable taxes due to the City pursuant to Chapters 4.66 and 4.76 of the SJMC.

(32) If the Collective was the subject of a Compliance Order issued by the City of San Jose pursuant to Chapter 1.14 of the SJMC, attach documentation from the City’s Code Enforcement Division evidencing that the Collective currently has no outstanding compliance orders.

(33) Has the Collective previously been disqualified from the City of San Jose’s Registration process or disqualified from the Registration process?_____ If “Yes,” attach a copy of the prior disqualification.

(34) Has the Collective’s Registration with the City of San Jose or registration, permit, license or any other authorization issued by the City or by any State or local agency, and, required to operate a Collective been deemed null and void or suspended, revoked or otherwise nullified? If “Yes,” please explain: _____

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE



SAN JOSE POLICE DEPARTMENT



QUESTIONNAIRE FOR COLLECTIVE

Next to each question, please answer “Yes” or “No.” **If you answer “Yes” to any of the questions, attach a separate sheet of paper explaining your answer and providing all information necessary for the City to confirm the information you provided, including, but not limited to the jurisdiction where the activity occurred.** A “Yes” answer does not necessarily mean you will be disqualified from the registration process. Additional documentation may be requested by the City if the information presented is deemed insufficient to complete the investigation.

1. _____ Has the Collective ever applied for or received a license, certificate, permits, or registration to practice in a regulated profession under *any* name other than the name listed on this application?

2. _____ Has the Collective ever had a license, certificate, permit, or registration to practice in a regulated profession denied, suspended or revoked, or in any way conditioned, curtailed, limited, or restricted in or by any jurisdiction (including San Jose)?

3. _____ Is any administrative, civil or criminal action pending against the Collective now by any licensing or regulatory agency?

4. _____ Has the Collective ever been the restrained party or petitioner of a Temporary Restraining Order, Preliminary Injunction or Permanent Injunction?

5. _____ In the last five (5) years, has the Collective ever owned or leased a location or premises that has been the subject of an administrative, civil or criminal nuisance abatement action and court judgment or administrative determination finding the location or premises to be a nuisance?

6. _____ Has each member of the Collective provided the Collective with written consent for the City to inspect and copy records pertaining to that member as required by Chapter 6.88 of the San Jose Municipal Code?

Name Of Person Completing Questionnaire:	
Title:	
Signature:	
Date:	
Address (a P.O. Box will not satisfy this requirement):	
City, State, Zip	
Contact Phone No.	

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

COLLECTIVE AFFIDAVIT

I, the undersigned, declare under penalty of perjury that to the best of my knowledge, the information contained in this Application, and its supporting documentation, is truthful, correct, and complete; and, the information contained in this Application, and its supporting documentation, discloses all material facts regarding the applicant and associated individuals necessary to allow the City of San Jose to properly evaluate the applicant's qualifications for Registration.

If the applicant is a business entity, I, as the person signing below do hereby represent and warrant that the business entity is authorized to do business in California and that I have full right, power and authority to sign on behalf of the business entity and carry out all actions contemplated by this Application, and that any Registration issued to the business entity constitutes valid, binding and enforceable obligations of the business. Upon the City's request, I promise to provide the City with evidence reasonably satisfactory to the City confirming the foregoing representations and warranties.

I will ensure that any information subsequently submitted to the City in conjunction with this Application or its supporting documentation meets the same standard as set forth above.

I understand that this Application may be classified as a public record and may be available for inspection by the public, except with regard to the release of information which is classified as controlled, private, or protected under the California Public Records Act or restricted by other law.

I acknowledge that I may be required to provide additional information, as needed, for a complete investigation.

I further understand that any misrepresentations, omissions or falsifications may result in the applicant being disqualified from the Registration process and/or the Registration, once issued, subsequently being deemed null and void by the City.

Print Name Here:	
Title:	
Signature:	
Date:	
Address (a P.O. Box will not satisfy this requirement):	
City, State, Zip	
Contact Phone No.	

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

OWNER & MANAGER AFFIDAVIT (To Be Completed By Each Owner & Manager)

I, the undersigned, declare under penalty of perjury that to the best of my knowledge, the information contained in this Application, and its supporting documentation, is truthful, correct, and complete; and, the information contained in this Application, and its supporting documentation, discloses all material facts regarding the applicant and associated individuals necessary to allow the City of San Jose to properly evaluate the applicant's qualifications for Registration.

Upon the City's request, I promise to provide the City with evidence reasonably satisfactory to the City confirming the foregoing representations and warranties.

I will ensure that any information subsequently submitted to the City in conjunction with this application or its supporting documentation meets the same standard as set forth above.

I understand that this Application may be classified as a public record and may be available for inspection by the public, except with regard to the release of information which is classified as controlled, private, or protected under the California Public Records Act or otherwise restricted by law.

I acknowledge that I may be required to provide additional information, as needed, for a complete investigation.

I further understand that any misrepresentations, omissions or falsifications may result in the applicant being disqualified from the Registration process and/or the Registration, once issued, subsequently being deemed null and void by the City.

Print Name Here:	
Title:	
Signature:	
Date:	
Address (a P.O. Box will not satisfy this requirement):	
City, State, Zip	
Contact Phone No.	

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

COLLECTIVE’S AUTHORIZATION FOR RELEASE OF INFORMATION

I, the undersigned, declare that I am the applicant described and identified in this Application, or an agent of the applicant seeking Registration with the City of San Jose.

I authorize all persons, institutions, organizations, schools, governmental agencies, employers, references, or any others not specifically included in the preceding characterization, to release to the San Jose Police Department any files, records, or information of any type regarding:

(If Applicant is Business Entity, Insert Legal Name of Business Entity Below)

ENTITY

(If Applicant is Individual, Insert Legal Name and Date of Birth Below :)

NAME **DATE OF BIRTH**

The information is being requested by the San Jose Police Department to properly evaluate the applicant’s qualifications for Registration by the City of San Jose. A copy of this Authorization shall be as valid as, and provide the same authorization as, the original.

Print Name of Individual or Person Authorized to sign on behalf of Business Entity:	
Title: (if applicable)	
Signature:	
Date:	
Address:	
City, State, Zip	
Contact Phone No.	

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

**COLLECTIVE’S CONSENT FOR INSPECTION OF LOCATION/PREMISES
AND INSPECTION AND COPYING OF RECORDS**

I, the undersigned, declare that I am the applicant described and identified in this Application, or that I am an agent of the applicant seeking Registration with the City of San Jose.

I authorize the City Manager, the Chief of Police, and their respective designees to inspect and copy any recordings and records required to be maintained under Chapter 6.88 of the San Jose Municipal Code, without requiring them to obtain a search warrant, subpoena or court order, at any time and without notice during regular hours of operation and at any other time upon reasonable notice.

I, the undersigned, further authorize the City Manager, the Chief of Police and their respective designees to inspect every premises and location operated by the applicant, without requiring a search warrant or court order, at any time and without notice during regular hours of operation and at any other time upon reasonable notice.

A copy of this Consent Form shall be as valid as, and provide the same authorization as, the original.

(If Applicant is Business Entity, Insert Legal Name of Business Entity Below)

ENTITY

(If Applicant is Individual, Insert Legal Name and Date of Birth Below :)

NAME

DATE OF BIRTH

Name of Individual Authorized To sign for Collective:	
Title: (if applicable)	
Signature:	
Date:	
Address (a P.O. Box will not satisfy this requirement):	
City, State, Zip	
Contact Phone No.	

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

**OWNER/MANAGER CONSENT FOR INSPECTION OF LOCATION/PREMISES
AND INSPECTION AND COPYING OF RECORDS**

(To Be Completed by *each* Owner & Manager)

I, the undersigned, declare that I am an owner or manager for the applicant described and identified in this Application.

I authorize the City Manager, the Chief of Police, and their respective designees to inspect and copy any recordings and records required to be maintained under Chapter 6.88 of the San Jose Municipal Code, without requiring them to obtain a search warrant, subpoena or court order, at any time and without notice during regular hours of operation and at any other time upon reasonable notice.

I, the undersigned, further authorize the City Manager, the Chief of Police and their respective designees to inspect every Location and Premises operated by the applicant, without requiring a search warrant or court order, at any time and without notice during regular hours of operation and at any other time upon reasonable notice.

A copy of this Consent Form shall be as valid as, and provide the same authorization as, the original.

OWNER OR MANAGER NAME

DATE OF BIRTH

SIGNATURE

DATE

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE



**SAN JOSE POLICE
DEPARTMENT**



INFORMATION REGARDING INDIVIDUALS ASSOCIATED WITH COLLECTIVE

(Unless otherwise stated, the following pages 13 through 19 of this application shall be completed by *each* Owner, Manager and any individual participating in the cultivation, processing, manufacturing, transporting or dispensing of Medical Marijuana. Please use a new set of pages for each individual.)

Background:

1. Last Name _____ First _____ MI _____

Alias(es): _____

2. Date of Birth: _____

3. Height: _____ Weight: _____ Hair: _____ Eyes: _____ Gender: _____

4. Home Address (a P.O. Box will not satisfy this requirement): _____

City _____ State _____ Zip _____

5. Telephone number (where you can be reached 24 hrs a day):

6. California DL/ID Number: _____ Other Government Photo ID _____

NOTE: Attach a fully legible copy of valid government issued photo identification card or license containing the following information: name, date of birth, and physical description (sex, height, weight, eye color and hair color). Acceptable forms of government issued identification include: drivers licenses or photo identity cards issued by the state Department of Motor Vehicles that meet REAL ID benchmarks, a passport issued by the United States government, U.S. Military ID cards, or a Permanent Resident card.

7. Attach a copy of your state issued Medical Marijuana Program Act identification card or a copy of your physician's recommendation for the medical use of marijuana.

8. Name, Address & Telephone Number of physician who recommended you use marijuana for medicinal purposes (a P.O. Box will not satisfy this requirement.) _____

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

9. If you are participating in the Collective as a primary caregiver, attach a copy of the written documentation provided by *each* qualified patient member designating you as his or her primary caregiver.

10. Job Title/Position with the Collective: _____

11. Description of Job Duties/Position Duties: _____

Criminal History:

If you have been convicted of a crime (other than an infraction traffic violation) or you are currently on probation or parole, provide the information requested below. Attach additional sheets if necessary. Incomplete information may be grounds for the Collective being disqualified from the registration process.

Criminal Case No:	
Statute Violated/Charges :	
Date of Conviction:	
Date of Imposition of Probation and/or Parole:	
Name and Address of sentencing court:	

Criminal Case No:	
Statute Violated/Charges:	
Date of Conviction:	
Date of Imposition of Probation and/or Parole:	
Name and Address of sentencing court:	

Criminal Case No:	
Statute Violated/Charges:	
Date of Conviction:	
Date of Imposition of Probation and/or Parole:	
Name and Address of sentencing court:	

Prior Experience At A Collective:

Provide a detailed explanation of your involvement with any other Collective including, but not limited to: the name and address of the Collective; the capacity in which you were involved with the Collective; whether the Collective is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; whether you or the Collective with which you are or were associated has ever been

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

denied, or is in the process of being denied registration, a permit, a license or any other authorization to operate a Collective in any other city, county or state; and whether you or the Collective with which you are or were associated has ever had a registration, license, permit or any other authorization to operate a Collective in any other city, county or state suspended or revoked, and the reasons therefore. Attach additional pages if necessary.

--	--

Residence History:

List all residences you have had for the past three (3) years. Attach additional pages if necessary.

Number & Street Name:	
City, State, Zip:	
Length of Stay:	
Contact Person / Phone	

Number & Street Name:	
City, State, Zip:	
Length of Stay:	
Contact Person / Phone	

Number & Street Name:	
City, State, Zip:	
Length of Stay:	
Contact Person / Phone	

Employment History:

Beginning with your current employment, list your work history for the previous three (3) years. Attach a separate sheet of paper to complete your list if necessary.

Company Name:	
Address:	
City, State, Zip	
Phone No.	
Supervisor/Contact Name:	
Dates of Employment:	
Description of Job Duties: Reason Left Employment?	

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

Company Name:	
Address:	
City, State, Zip	
Phone No.	
Supervisor/Contact Name:	
Dates of Employment:	
Description of Job Duties: Reason Left Employment?	

Company Name:	
Address:	
City, State, Zip	
Phone No.	
Supervisor/Contact Name:	
Dates of Employment:	
Description of Job Duties: Reason Left Employment?	

Fingerprinting:

Each Collective owner, manager and any individual participating in the cultivation, processing, manufacturing, transporting or dispensing of medical marijuana shall be fingerprinted for the City to conduct a complete criminal background check. Please contact San Jose Police Sergeant David Woolsey at (408) 277-4115 to receive information on how to schedule an appointment for fingerprints and fee payment.

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE



**SAN JOSE POLICE
DEPARTMENT**



**Questionnaire For Owners, Managers & Individuals Participating In The
Cultivation, Processing, Manufacturing, Transporting Or Dispensing
Of Medical Marijuana**

Next to each question, please answer “Yes” or “No.” **If you answer “Yes” to any of the questions, attach a separate sheet of paper explaining your answer and providing all information necessary for the City to confirm the information you provided, including, but not limited to the jurisdiction where the activity occurred.** A “Yes” answer does not necessarily mean the Collective will be disqualified from the registration process. Additional documentation may be requested by the City if the information presented is deemed insufficient to complete the investigation.

1. _____ Have you ever applied for or received a license, certificate, permits, or registration to practice in a regulated profession under *any* name other than the name listed on this application?
2. _____ Have you ever had a license, certificate, permit, or registration to practice in a regulated profession denied, suspended or revoked, or in any way conditioned, curtailed, limited, or restricted in or by any jurisdiction (including San Jose)?
3. _____ Is any administrative, civil or criminal action pending against you now by any licensing or regulatory agency?
4. _____ Have you ever been the restrained party or petitioner of a Temporary Restraining Order, Preliminary Injunction or Permanent Injunction?
5. _____ In the last five (5) years, have you owned or leased a location or premises that has been the subject of an administrative, civil or criminal nuisance abatement action and court judgment or administrative determination finding the location or premises to be a nuisance?
6. _____ Have you ever applied for a permit to carry a concealed weapon?

Name Of Person Completing Questionnaire:	
Title:	
Signature:	
Date:	
Address (a P.O. Box will not satisfy this requirement:	
City, State, Zip	
Contact Phone No.	

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

INDIVIDUAL AFFIDAVIT

(To Be Completed By *Each* Owner, Manager and Member Participating In the Cultivation, Processing, Manufacturing, Transporting or Dispensing of Medical Marijuana)

I, the undersigned, declare under penalty of perjury that to the best of my knowledge, the information pertaining to me and contained in this Application, and its supporting documentation, is truthful, correct, and complete; and, the information pertaining to me and contained in this Application, and its supporting documentation, discloses all material facts necessary to allow the City of San Jose to properly evaluate the applicant's qualifications for Registration.

Upon the City's request, I promise to provide the City with evidence reasonably satisfactory to the City confirming the foregoing representations and warranties.

I will ensure that any information related to me and subsequently submitted to the City in conjunction with this Application or its supporting documentation meets the same standard as set forth above.

I understand that this Application may be classified as a public record and may be available for inspection by the public, except with regard to the release of information which is classified as controlled, private, or protected under the California Public Records Act or otherwise restricted by law.

I acknowledge that I may be required to provide additional information, as needed, for a complete investigation.

I further understand that any misrepresentations, omissions or falsifications may result in the applicant being disqualified from the Registration process and/or the Registration, once issued, subsequently being deemed null and void by the City.

Print Name Here:	
Title:	
Signature:	
Date:	
Address (a P.O. Box will not satisfy this requirement):	
City, State, Zip	
Contact Phone No.	

APPLICATION FOR REGISTRATION AS A MEDICAL MARIJUANA COLLECTIVE

INDIVIDUAL AUTHORIZATION FOR RELEASE OF INFORMATION

(To Be Completed By *Each* Owner, Manager and Member Participating In the Cultivation, Processing, Manufacturing, Transporting or Dispensing of Medical Marijuana)

I, the undersigned, declare that I am an owner or manager for the applicant, or that I am a member of the applicant and I participate in the cultivation, processing, manufacturing, transporting or dispensing of medical marijuana on behalf of the applicant.

I authorize all persons, institutions, organizations, schools, governmental agencies, employers, references, or any others not specifically included in the preceding characterization, to release to the San Jose Police Department any files, records, or information of any type pertaining to me.

The information is being requested by the San Jose Police Department to properly evaluate the applicant's qualifications for Registration by the City of San Jose. A copy of this Authorization shall be as valid, and provide the same authorization as, the original.

PRINT NAME

DATE OF BIRTH

SIGNATURE

DATE

ZONING CODE VERIFICATION CERTIFICATE APPLICATION for Medical Marijuana Collective or Cultivation Site

TO BE COMPLETED BY PLANNING COUNTER STAFF			
FILE NUMBER	Staff: _____		
ZONING	Date: _____		
GENERAL PLAN	Amount paid: _____		
TO BE COMPLETED BY APPLICANT (PLEASE PRINT OR TYPE)			
SELECT ONE OF THE FOLLOWING:			
<input type="checkbox"/> A. <u>Zoning Code Verification Certificate for Medical Marijuana Collective:</u> (includes Verification of Zoning Districts, General Plan Designations, and Distance requirements)	<input type="checkbox"/> B. <u>Zoning Code Verification Certificate for Medical Marijuana Collective, Cultivation Site Only:</u> (includes Verification of Zoning Districts, General Plan Designations, and Distance requirements)		
Fees are per the Planning Application Fee Schedule			
SUBJECT PROPERTY LOCATION / ADDRESS			
ASSESSOR'S PARCEL NUMBER(S) ¹ (Attach parcel map)			
INFORMATION REQUESTED/REASON FOR VERIFICATION APPLICATION:			

APPLICANT/CONTACT PERSON			
NAME (PRINTED)			
ADDRESS	CITY	STATE	ZIP CODE
DAYTIME TELEPHONE # ()	FAX TELEPHONE # ()	E-MAIL ADDRESS	

¹ Assessor Parcel Number and Parcel Map available online at:
<https://www.sccassessor.org/index.php/online-services/property-search/real-property>

PLEASE SUBMIT THIS APPLICATION IN PERSON TO: Medical Marijuana Program Coordinator, City Manager's Office, 17th Floor, City Hall

Zoning Code Verification Certificate for Medical Marijuana Collective or Cultivation Only site

Zoning Code Verification for Certificate for Medical Marijuana Collective may be issued only for those establishments that meet the specific criteria, per the Zoning Ordinance.

Provide evidence including but not limited to scaled maps that the proposed Medical Marijuana Collective conforms to the restrictions and conditions listed below:

- 1.** The Medical Marijuana Collective is in a zoning district that allows the Collective as a Restricted Use.
- 2.A.** The Medical Marijuana Collective is not located closer than a minimum of 1,000 feet from any parcel on which a public or private preschool, elementary school, or secondary school exists exists.
- 2.B.** The Medical Marijuana Collective is not located closer than a minimum of 1,000 feet from any parcel on which a child day care center, a community or recreation center, a park, or a library exists.
- 2.C.** The Medical Marijuana Collective is not located closer than a minimum of 500 feet from any parcel on which any of the following uses exists: a substance abuse rehabilitation center, or an Emergency Residential Shelter.
- 2.D.** The Medical Marijuana Collective is not located closer than a minimum of 150 feet from any parcel on which any of following uses exist: religious assembly, or adult day care center.
- 2.E.** The distances established in Subsections A through D above shall be measured as follows:
 - i. For a Medical Marijuana Collective or Cultivation Site Only located in a multi-tenant building with tenant spaces occupied by uses other than the Collective, the distance shall be measured in a straight line from the parcel boundary of the sensitive use to the nearest exterior wall of the Collective's occupied tenant space in the shared building.
 - ii. For a Medical Marijuana Collective or Cultivation Site Only that is the sole occupant of a building, the distance shall be measured in a straight line from the parcel boundary of the sensitive use to the nearest exterior wall of the Collective's building envelope.
- 2.F.** The Medical Marijuana Collective is not located on a parcel of real property that is closer than a minimum of 50 feet from any parcel on which another Medical Marijuana Collective or Medical Marijuana Collective, Cultivation Site Only is located, measured from the closest parcel lines of the respective parcels.
- 2.G.** The Medical Marijuana Collective is not located on a parcel of real property that is closer than a minimum of 150 feet from any residential use, including a residential Legal Non-conforming Use, that is not incidental to a primary nonresidential use, measured from the closest parcel lines of the respective parcels.
- 2.H.** The Medical Marijuana Collective is not located on a parcel of real property that is in:
 - i. The area within the North San José Area Development Policy boundaries as defined in Section 14.29.020.D of Title 14 of the Municipal Code.
 - ii. The area within the Edenvale Area Development Policy boundaries, which is that area within the corporate limits of the City of San José, consisting of approximately two thousand three hundred twelve (2,312) acres as specified and depicted in the Edenvale Area Development Policy adopted and as amended by the City Council.
 - iii. The area within the International Business Park boundaries, which consists of that area within the corporate limits of the City of San Jose bounded by Interstate Highway 880, Montague Expressway, Trade Zone Boulevard, the Union Pacific Railroad line, Murphy Avenue, and Brokaw Road.

B. – Zoning Code Verification Certificate for Medical Marijuana Collective (continued)

- 2.I.** If the Medical Marijuana Collective is in the LI-Light Industrial Zoning District it shall not be located on a parcel of real property that is within either of the following areas:
 - i. Those certain Enterprise Zones that have been or may be created and whose boundaries have been or may be established through a resolution adopted by the City Council or by the City Manager pursuant to a resolution adopted by the City Council; or
 - ii. Those other business incentive zones (such as a foreign trade zone) that may be created and whose boundaries are established through a formal, public action taken by the City Council.

- 2.J.** The Medical Marijuana Collective is not located on the ground floor of structures or buildings located on real property that, in whole or in part is within the the DC-Downtown Primary Commercial Zoning District.

- 2.K.** The Medical Marijuana Collective is not located in a retail commercial shopping center located on a parcel or parcels totaling over forty (40) acres in size.

Please submit maps (drawn to scale) and any other additional evidence that the proposed Medical Marijuana Collective meets all of the above criteria.

C. - Additional Documentation:

Please submit the following along with your application:

- Photographs of existing building or subject area.
- All necessary evidence and documentation supporting your application. See below for resources:
 - Building Permits - These records can be obtained by doing a permit search in Development Services Center of City Hall at 200 East Santa Clara Street in San Jose.

 - Santa Clara County, Building Permits -This information can be obtained from the Santa Clara County Department of Planning and Development, located on the 7th floor at 70 West Hedding Street in San Jose.
 - Santa Clara County, Assessor's Records -This information can be obtained from the Santa Clara County Assessor's Office, located on the 5th floor at 70 West Hedding Street in San Jose.

 - Copies of prior/current leases or letters of authorization to use property.
 - Business Licenses - These records can be obtained from the City of San Jose Finance Department in Development Services Center of City Hall on the 1st floor at 200 East Santa Clara Street in San Jose.
 - Business Receipts.

INDEMNIFICATION AGREEMENT
FOR ZONING CODE VERIFICATION
CERTIFICATE APPLICATIONS

Applicant submitted an application to the City of San José Planning Division on _____, 20____ for the following verification(s): _____

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Applicant hereby expressly agrees in connection with the processing of Applicant's Verification application(s) to each and every one of the following terms and conditions:

1. Applicant agrees, as part of and in connection with each and any of the application(s), to defend, indemnify, and hold harmless the City of San José ("City") and its officers, contractors, consultants, attorneys, employees and agents from any and all claim(s), action(s), or proceeding(s) (collectively referred to as "proceeding") brought against City or its officers, contractors, consultants, attorneys, employees, or agents to challenge, attack, set aside, void, or annul:
 - a. Any approvals issued in connection with any of the above described application(s) by City; and/or
 - b. Any action taken to provide related environmental clearance under the California Environmental Quality Act of 1970, as amended ("CEQA") by City's advisory agencies, boards or commissions; appeals boards or commissions; Planning Commission, or City Council.

Applicant's indemnification is intended to include, but not be limited to, damages, fees and/or costs awarded against or incurred by City, if any, and costs of suit, claim or litigation, including without limitation attorneys' fees and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by Applicant, City, and/or parties initiating or involved in such proceeding.

2. Applicant agrees to indemnify City for all of City's costs, fees, and damages incurred in enforcing the indemnification provisions of this Agreement.

3. Applicant agrees to defend, indemnify and hold harmless City, its officers, contractors, consultants, attorneys, employees and agents from and for all costs and fees incurred in additional investigation or study of, or for supplementing, redrafting, revising, or amending, any document if made necessary by said proceeding and if Applicant desires to pursue such City approvals and/or clearances, after initiation of the proceeding and that are conditioned on the approval of these documents.

4. In the event that Applicant is required to defend City in connection with such proceeding, City shall have and retain the right to approve:
 - a. The counsel to so defend City; and
 - b. All significant decisions concerning the manner in which the defense is conducted; and
 - c. Any and all settlements, which approval shall not be unreasonably withheld.

City shall also have and retain the right to not participate in the defense, except that City agrees to reasonably cooperate with Applicant in the defense of the proceeding. If City chooses to have counsel of its own defend any proceeding where Applicant has already retained counsel to defend City in such matters, the fees and expenses of the additional counsel selected by City shall be paid by City. Notwithstanding the immediately preceding sentence, if City's Attorney's Office participates in the defense, all City Attorney fees and costs shall be paid by Applicant.

5. Applicant's defense and indemnification of City set forth herein shall remain in full force and effect throughout all stages of litigation including any and all appeals of any lower court judgments rendered in the proceeding.

After review and consideration of all of the foregoing terms and conditions, Applicant, by its signature below, hereby agrees to be bound by and to fully and timely comply with all of the foregoing terms and conditions.

APPLICANT:

By: _____
(Signature)

(Print)

Date: _____

Its: _____
(Title, if any)

Please send the completed form and payment to:

Finance Department
Revenue Management
200 East Santa Clara St., 13th Fl
San José, Ca 95113-1905
www.csjfinance.org

Marijuana Business Tax Return

The Marijuana Business Tax is imposed on every person engaged in marijuana business in the City of San José. Payment of the tax in accordance with Municipal Code Chapter 4.66 does not authorize unlawful business. Marijuana Business Tax filings are due on or before the last day of each calendar month for the total gross receipts and the amount of the tax owed for the preceding calendar month.

Business Name: _____	Business Phone: _____
San José Business Address: _____	Tax Period (Indicate month and year) _____
	Business Tax Certificate # _____

Calculate Tax Due

1. Gross Receipts for Period	_____	Line 1
2. Adjustments (Must be itemized, documented and attached)	_____	Line 2
3. Taxable Gross Receipts (Subtract line 2 from line 1)	_____	Line 3
4. Tax Due (Multiply line 3 by 0.10)	\$0.00	Line 4
5. Penalty 1: Assessed on the first day after the due date if the tax has not been paid (multiply line 4 by 0.25)	_____	Line 5
6. Penalty 2: Additional penalty assessed if tax remains unpaid more than one calendar month beyond the due date (multiply line 4 by 0.25)	_____	Line 6
7. Interest on Tax Due: (# of days past due, multiplied by line 4, and multiplied by 0.0004931507)	_____	Line 7
8. Interest on Penalty 1: Interest on Penalty 1 is accrued from the first day Penalty 1 was assessed. (# of days past due, multiplied by line 5, and multiplied by 0.0004931507)	_____	Line 8
9. Interest on Penalty 2: Assessed when payment is made more than one calendar month beyond the due date. Interest on Penalty 2 is accrued from the first day Penalty 2 was assessed. (# of days past due, multiplied by line 6, and multiplied by 0.0004931507)	_____	Line 9
10. Total Marijuana Business Tax Due (add lines 4 thru 9)	\$0.00	Line 10

I declare under penalty of perjury that the statements herein and any attachments are true, correct, and complete.

Print Name _____

Authorized Signature

Date _____

Contact Phone

City of San José Finance Department, 200 E. Santa Clara, San José, CA 95113 tel (408) 535-7055 fax (408) 292-6488
www.csjfinance.org



CITY OF CAMPBELL

City Clerk's Office

May 24, 2016

Kale Schulte
1725 S. Bascom Avenue, Apt. 462
Campbell, California 95008
Email: Kale.Schulte@gmail.com

Re: Initiative Petition

Dear Mr. Schulte:

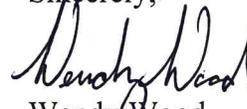
As you are aware, on May 20, 2016 you submitted your initiative petition to my office for review. Once the petition is submitted, my office has a ministerial obligation to check the petition for compliance with all applicable codes, and to reject the petition if it is found to violate one or more of the codes. (*Alliance for a Better Downtown Millbrae v. Wade* (2003) 108 Cal. App.4th 123, 132 – 133.) Under the law, I have no discretion to overlook any deviation from the code requirements. (Id. at p. 133.)

The petition is required to contain the title and summary prepared by the City Attorney. (Cal. Elect. Code §§ 9201, 9207.) In reviewing your petition, I noticed that it omits language that is contained in the summary and title prepared by the City Attorney. Specifically, the words “land, unless the commercial cannabis activity is separated from the residentially zoned property” are missing from the eighth sentence of the title and summary. Given this omission, I am legally obligated to reject the petition.

In addition, upon discovering the omitted language in the petition, I checked the version that you had published in the Campbell Express; and I discovered that it also contained the same omission.

If you have any questions about this matter, please feel free to contact my office.

Sincerely,



Wendy Wood
City Clerk

cc: City Manager
City Attorney

FEB 25 2016

CITY CLERK'S OFFICE

CAMPBELL MEDICAL MARIJUANA REGULATION AND SAFETY ACT OF 2016

The People of the City of Campbell do ordain as follows:

SECTION 1. TITLE

This initiative shall be known and may be cited as the Campbell Medical Marijuana Regulation and Safety Act of 2016.

SECTION 2. FINDINGS AND DECLARATIONS

The People of the City of Campbell find all of the following to be true:

- A. We strongly support the right of seriously ill patients to use medical marijuana in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraines, or any other serious illness or condition for which marijuana provides relief.
- B. We oppose the arrest, prosecution, and incarceration of persons legally-qualified under the Compassionate Use Act of 1996, codified as California Health & Safety Code Section 11362.5 and enacted through Proposition 215, the Medical Marijuana Program Act of 2004, as amended, codified as California Health & Safety Code Sections 11362.7 through 11362.83, inclusive, and enacted through Senate Bill 420, and the Medical Marijuana Regulation and Safety Act of 2016, codified as Business & Professions Code Sections 27, 101, and 205.1, California Government Code Section 9147.7, California Health & Safety Code Sections 11362.775 and 19300 through 19355, inclusive, California Labor Code Section 147.5, and California Revenue & Taxation Code Section 31020, by local, state, or federal law enforcement.
- C. The cultivation and provision of medical marijuana should occur in a safe and orderly manner in order to protect patients and the community. In the absence of clear guidelines, there has been a lack of consistency in the permitting and regulation of medical marijuana cultivation and dispensing.
- D. The people of the City of Campbell find and declare that we enact this initiative pursuant to the powers reserved to the State of California, the City of Campbell, and its people under the Tenth Amendment to the United States Constitution.

SECTION 3. ADDITION OF CHAPTER 5.56, "MEDICAL MARIJUANA REGULATION AND SAFETY," TO TITLE 5 OF THE CAMPBELL MUNICIPAL CODE, REVISED

Chapter 5.56, entitled "Medical Marijuana Regulation and Safety" is added to Title 5, entitled "Business Licenses and Regulations," of the Campbell Municipal Code, Revised and shall read as follows:

Chapter 5.56 – Medical Marijuana Regulation and Safety**Part A. Definitions.**

Section 5.56.010. This act shall be known and may be cited as the Campbell Medical Marijuana Regulation and Safety Act of 2016.

Section 5.56.011. For purposes of this chapter, the following definitions shall apply:

(a) “Accrediting body” means a nonprofit organization that requires conformance to ISO/IEC 17025 requirements and is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement for Testing.

(b) “Applicant,” for purposes of Part D (commencing with Section 5.56.040), means the following:

(1) Owner or owners of a proposed facility, including all persons or entities having ownership interest other than a security interest, lien, or encumbrance on property that will be used by the facility.

(2) If the owner is an entity, “owner” includes within the entity each person participating in the direction, control, or management of, or having a financial interest in, the proposed facility.

(3) If the applicant is a publicly traded company, “owner” means the chief executive officer or any person or entity with an aggregate ownership interest of 5 percent or more.

(c) “Batch” means a specific quantity of medical cannabis or medical cannabis products that is intended to have uniform character and quality, within specified limits, and is produced according to a single manufacturing order during the same cycle of manufacture.

(d) “Bureau” means the Bureau of Medical Marijuana Regulation within the California Department of Consumer Affairs.

(e) “Cannabinoid” or “phytocannabinoid” means a chemical compound that is unique to and derived from cannabis.

(f) “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, “cannabis” does not mean “industrial hemp” as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

(g) “Cannabis concentrate” means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product’s potency. An edible medical cannabis product is not considered food, as defined by Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.

(h) “Caregiver” or “primary caregiver” has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.

(i) “Certificate of accreditation” means a certificate issued by an accrediting body to a licensed testing laboratory, entity, or site to be registered in the state.

(j) “Chief” means Chief of the Bureau of Medical Marijuana Regulation within the California Department of Consumer Affairs.

(k) “Commercial cannabis activity” includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medical cannabis or a medical cannabis product, except as set forth in Section 5.56.040, related to qualifying patients and primary caregivers.

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

(m) “Delivery” means the commercial transfer of medical cannabis or medical cannabis products from a dispensary, up to an amount determined by the bureau to a primary caregiver or qualified patient as defined in Section 11362.7 of the California Health and Safety Code, or a testing laboratory. “Delivery” also includes the use by a dispensary of any technology platform owned and controlled by the dispensary, or independently licensed under this chapter, that enables qualified patients or primary caregivers to arrange for or facilitate the commercial transfer by a licensed dispensary of medical cannabis or medical cannabis products.

(n) “Dispensary” means a facility where medical cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to express authorization by local ordinance, medical cannabis and medical cannabis products as part of a retail sale.

(o) “Dispensing” means any activity involving the retail sale of medical cannabis or medical cannabis products from a dispensary.

(p) “Distribution” means the procurement, sale, and transport of medical cannabis and medical cannabis products between entities licensed pursuant to this chapter.

(q) “Distributor” means a person licensed under this chapter to engage in the business of purchasing medical cannabis from a licensed cultivator, or medical cannabis products from a licensed manufacturer, for sale to a licensed dispensary.

(r) "Dried flower" means all dead medical cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

(s) "Edible cannabis product" means manufactured cannabis that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum. An edible medical cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the Health and Safety Code.

(t) "Identification program" means the universal identification certificate program for commercial medical cannabis activity authorized by the California Medical Marijuana Regulation and Safety Act.

(u) "Licensing authority" means the agency responsible for the issuance, renewal, or reinstatement of the license, or the agency authorized to take disciplinary action against the license.

(v) "Cultivation site" means a facility where medical cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, and that holds a valid license pursuant to this chapter.

(w) "Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured medical cannabis, as described in subdivision (ae), or medical cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages medical cannabis or medical cannabis products or labels or relabels its container, that holds a valid state license pursuant to this chapter, and that holds a valid local license or permit.

(x) "Testing laboratory" means a facility, entity, or site in the state that offers or performs tests of medical cannabis or medical cannabis products and that is both of the following:

(1) Accredited by an accrediting body that is independent from all other persons involved in the medical cannabis industry in the state.

(2) Registered with the State Department of Public Health.

(y) "Transporter" means a person issued a license to transport medical cannabis or medical cannabis products in an amount above a threshold determined by the Bureau between facilities that have been issued a state license pursuant to this chapter.

(z) "Licensee" means a person issued a license under this chapter to engage in commercial cannabis activity.

(aa) "Live plants" means living medical cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.

(ab) "Lot" means a batch, or a specifically identified portion of a batch, having uniform character and quality within specified limits. In the case of medical cannabis or a medical cannabis product produced by a continuous process, "lot" means a specifically identified amount produced in a unit of time or a quantity in a manner that ensures its having uniform character and quality within specified limits.

(ac) "Manufactured cannabis" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product.

(ad) "Manufacturing site" means a location that produces, prepares, propagates, or compounds manufactured medical cannabis or medical cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a licensee for these activities.

(ae) "Medical cannabis," "medical cannabis product," or "cannabis product" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of California the Health and Safety Code. For the purposes of this chapter, "medical cannabis" does not include "industrial hemp" as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

(af) "Nursery" means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of medical cannabis.

(ag) "Permit," "local license," or "local permit" means an official document granted by the City that specifically authorizes a person to conduct commercial cannabis activity in the City.

(ah) "Person" means an 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 includes the plural as well as the singular number.

(ai) "State license," "license," or "registration" means a state license issued by the Bureau.

(aj) "Topical cannabis" means a product intended for external use. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.

(ak) "Transport" means the transfer of medical cannabis or medical cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized pursuant to this chapter.

Section 5.56.012. License classifications pursuant to this chapter are as follows:

- (a) Type 1 = Cultivation; Specialty outdoor; Small – consisting of up to 5,000 square feet of canopy, or up to 50 noncontiguous plants.
- (b) Type 1A = Cultivation; Specialty indoor; Small – consisting of up to 5,000 square feet of canopy, or up to 50 noncontiguous plants, using exclusively artificial lighting.
- (c) Type 1B = Cultivation; Specialty mixed-light; Small – consisting of up to 5,000 square feet of canopy, or up to 50 noncontiguous plants, using a combination of artificial and natural lighting.
- (d) Type 2 = Cultivation; Outdoor; Small – consisting of 5,001 to 10,000 square feet of canopy.
- (e) Type 2A = Cultivation; Indoor; Small – consisting of 5,001 to 10,000 square feet of canopy, using exclusively artificial lighting.
- (f) Type 2B = Cultivation; Mixed-light; Small – consisting of 5,001 to 10,000 square feet of canopy, using a combination of artificial and natural lighting.
- (g) Type 3 = Cultivation; Outdoor; Medium – consisting of 10,001 square feet to one (1) acre of canopy.
- (h) Type 3A = Cultivation; Indoor; Medium – consisting of 10,001 square feet to 22,000 square feet of canopy, using exclusively artificial lighting.
- (i) Type 3B = Cultivation; Mixed-light; Medium – consisting of 10,001 square feet to 22,000 square feet of canopy, using a combination of artificial and natural lighting.
- (j) Type 4 = Cultivation; Nursery.
- (k) Type 6 = Manufacturer 1.
- (l) Type 7 = Manufacturer 2.
- (m) Type 8 = Testing.
- (n) Type 10 = Dispensary.
- (o) Type 11 = Distribution.
- (p) Type 12 = Transporter.

Part B. Administration

Section 5.56.020. Protection of the public shall be the highest priority for the City in exercising its licensing, regulatory, and disciplinary functions under this chapter. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

Section 5.56.021. The City shall make and prescribe reasonable rules as may be necessary or proper to carry out the purposes and intent of this chapter and to enable it to exercise the powers and duties conferred upon it by this chapter, not inconsistent with any statute of this state, including particularly this chapter and Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the performance of its duties, the bureau has the power conferred by Sections 11180 to 11191, inclusive, of the California Government Code.

Section 5.56.022. Notice of any action of the licensing authority required by this chapter to be given may be signed and given by the director or an authorized employee of the department and may be made personally or in the manner prescribed by Section 1013 of the California Code of Civil Procedure.

Section 5.56.023.

(a) The City may convene an advisory committee to advise the City on the development of standards and regulations pursuant to this chapter, including best practices and guidelines to ensure qualified patients have adequate access to medical cannabis and medical cannabis products. The advisory committee members shall be determined by the city manager.

(b) The advisory committee members may include, but not be limited to, representatives of the medical marijuana industry, representatives of medical marijuana cultivators, appropriate local agencies, appropriate local law enforcement, physicians, environmental and public health experts, and medical marijuana patient advocates.

Section 5.56.024. The City may make or cause to be made such investigation as it deems necessary to carry out its duties under this chapter.

Section 5.56.025. For any hearing held pursuant to this chapter, the City may delegate the power to hear and decide to an administrative law judge. Any hearing before an administrative law judge shall be pursuant to the procedures, rules, and limitations prescribed in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the California Government Code.

Section 5.56.026. In any hearing before the City pursuant to this chapter, the City may pay any person appearing as a witness at the hearing at the request of the City pursuant to a subpoena, his or her actual, necessary, and reasonable travel, food, and lodging expenses, not to exceed the amount authorized for state employees.

Section 5.56.027. The City may on its own motion at any time before a penalty assessment is placed into effect and without any further proceedings, review the penalty, but such review shall be limited to its reduction.

Part C. Enforcement

Section 5.56.030. Grounds for disciplinary action include:

- (a) Failure to comply with the provisions of this chapter or any rule or regulation adopted pursuant to this chapter.
- (b) Conduct that constitutes grounds for denial of licensure pursuant to Title 5 of the Campbell Municipal Code, Revised.
- (c) Any other grounds contained in regulations adopted by the City pursuant to this chapter.
- (d) Failure to comply with any state law, except as provided for in this chapter or other California law.

Section 5.56.031. The City may suspend or revoke licenses, after proper notice and hearing to the licensee, if the licensee is found to have committed any of the acts or omissions constituting grounds for disciplinary action. The disciplinary proceedings under this chapter shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the California Government Code, and the City shall have all the powers granted therein.

Section 5.56.032. The City may take disciplinary action against a licensee for any violation of this chapter when the violation was committed by the licensee's agent or employee while acting on behalf of the licensee or engaged in commercial cannabis activity.

Section 5.56.033. Upon suspension or revocation of a license, the City shall inform the Bureau, who is previously tasked under the California Medical Marijuana Regulation and Safety Act (AB 266) with informing all other licensing authorities and the Department of Food and Agriculture.

Section 5.56.034. All accusations against licensees shall be filed by the City within five years after the performance of the act or omission alleged as the ground for disciplinary action; provided, however, that the foregoing provision shall not constitute a defense to an accusation alleging fraud or misrepresentation as a ground for disciplinary action. The cause for disciplinary action in such case shall not be deemed to have accrued until discovery, by the City, of the facts constituting the fraud or misrepresentation, and, in such case, the accusation shall be filed within five years after such discovery.

Section 5.56.035. Nothing in this chapter shall be interpreted to supersede or limit state agencies from exercising their existing enforcement authority under the California Fish and Game Code, the California Water Code, the California Food and Agricultural Code, or the California Health and Safety Code.

Section 5.56.036.

(a) The actions of a licensee, its employees, and its agents that are (1) permitted pursuant to a license or permit issued by the City, and (2) conducted in accordance with the requirements of this chapter and regulations adopted pursuant to this chapter, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.

(b) The actions of a person who, in good faith, allows his or her property to be used by a licensee, its employees, and its agents, as permitted pursuant to a City license or permit following the requirements of the applicable local ordinances, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.

Section 5.56.037.

(a) A person engaging in commercial cannabis activity without a license required by this chapter shall be subject to civil penalties of up to twice the amount of the license fee for each violation, and the court may order the destruction of medical cannabis associated with that violation in accordance with Section 11479 of the California Health and Safety Code. Each day of operation shall constitute a separate violation of this section. All civil penalties imposed and collected pursuant to this section shall be deposited into the City's general treasury.

(b) If an action for civil penalties is brought against a licensee pursuant to this chapter by the City Attorney or City Prosecutor or the California Attorney General on behalf of the people, the penalty collected shall be deposited into the City's general treasury.

(c) Notwithstanding subdivision (a), criminal penalties shall continue to apply to an unlicensed person engaging in commercial cannabis activity in violation of this chapter, including, but not limited to, those individuals covered under Section 11362.7 of the California Health and Safety Code.

Part D. Licensing

Section 5.56.040.

(a) The City may issue licenses only to qualified applicants engaging in commercial cannabis activity pursuant to this chapter. Upon the date of implementation of regulations by the City, no person shall engage in commercial cannabis activity without possessing a permit or license from the City.

(b) Revocation of the City's license or permit shall terminate the ability of a medical cannabis business to operate within the City until the City reinstates or reissues the license or permit. The City shall notify the Bureau upon revocation of the City license or permit.

(c) Upon the Bureau's issuance of licenses under the California Medical Marijuana Regulation and Safety Act, a licensee shall be required to maintain a license issued by the Bureau subject to all of the requirements thereof. Revocation of a state license shall terminate the ability of a

medical cannabis licensee to operate within the City until the Bureau reinstates or reissues the state license.

(d) Each licensee shall obtain a separate license for each location where it engages in commercial medical cannabis activity. However, transporters only need to obtain licenses for each physical location where the licensee conducts business while not in transport, or any equipment that is not currently transporting medical cannabis or medical cannabis products, permanently resides.

(e) Nothing in this chapter shall be construed to supersede or limit state agencies, including the State Water Resources Control Board and Department of Fish and Wildlife, from establishing fees to support their medical cannabis regulatory programs.

Section 5.56.041. A license issued pursuant to this Chapter section shall be valid for 12 months from the date of issuance. The license shall be renewed annually.

Section 5.56.042. No license shall be issued by the City for commercial cannabis activity in any zone in the City other than the commercial (P-O, C-1, C-2, and C-3), manufacturing (C-M and M-1), and Planned Development (P-D) zones, except that a dispensary may engage in delivery of medical cannabis to a qualified patient or primary caregiver at the residence of such qualified patient or primary caregiver. Any activity conducted by a licensee pursuant to this Chapter is expressly deemed not to be inconsistent with federal law as those terms are used in Section 21.12.030(F)(2) of the Campbell Municipal Code, Revised.

Part E. Medical Marijuana Regulation

Section 5.56.050.

(a) A person other than a licensed transporter shall not transport medical cannabis or medical cannabis products from one licensee to another licensee, unless otherwise specified in this chapter.

(b) All licensees holding cultivation or manufacturing licenses shall send all medical cannabis and medical cannabis products cultivated or manufactured to a distributor, as defined in Section 5.56.011, for quality assurance and inspection by the Type 11 licensee and for a batch testing by a Type 8 licensee prior to distribution to a dispensary. Those licensees holding a Type 10A license in addition to a cultivation license or a manufacturing license shall send all medical cannabis and medical cannabis products to a Type 11 licensee for presale inspection and for a batch testing by a Type 8 licensee prior to dispensing any product. The licensing authority shall fine a licensee who violates this subdivision in an amount determined by the licensing authority to be reasonable.

(c) (1) Upon receipt of medical cannabis or medical cannabis products by a holder of a cultivation or manufacturing license, the Type 11 licensee shall first inspect the product to ensure the identity and quantity of the product and then ensure a random sample of the medical cannabis or medical cannabis product is tested by a Type 8 licensee prior to distributing the batch of medical cannabis or medical cannabis products.

(2) Upon issuance of a certificate of analysis by the Type 8 licensee that the product is fit for manufacturing or retail, all medical cannabis and medical cannabis products shall undergo a quality assurance review by the Type 11 licensee prior to distribution to ensure the quantity and content of the medical cannabis or medical cannabis product, and for tracking and taxation purposes by the state. Licensed cultivators and manufacturers shall package or seal all medical cannabis and medical cannabis products in tamper-evident packaging and use a unique identifier, as prescribed by the California Department of Food and Agriculture, when such unique identifiers are prescribed by the California Department of Food and Agriculture for the purpose of identifying and tracking medical cannabis or medical cannabis products. Medical cannabis and medical cannabis products shall be labeled as required by Section 5.56.056. All packaging and sealing shall be completed prior to medical cannabis or medical cannabis products being transported or delivered to a licensee, qualified patient, or caregiver.

(3) This section does not limit the ability of licensed cultivators, manufacturers, and dispensaries to directly enter into contracts with one another indicating the price and quantity of medical cannabis or medical cannabis products to be distributed. However, a Type 11 licensee responsible for executing the contract is authorized to collect a fee for the services rendered, including, but not limited to, costs incurred by a Type 8 licensee, as well as applicable state or local taxes and fees.

(d) Medical cannabis and medical cannabis products shall be tested by a registered testing laboratory, prior to retail sale or dispensing, as follows:

(1) Medical cannabis from dried flower shall, at a minimum, be tested for concentration, pesticides, mold, and other contaminants.

(2) Medical cannabis extracts shall, at a minimum, be tested for concentration and purity of the product.

(3) This chapter shall not prohibit a licensee from performing on-site testing for the purposes of quality assurance of the product in conjunction with reasonable business operations. On-site testing by the licensee shall not be certified by the State Department of Public Health.

(e) All commercial cannabis activity shall be conducted between licensees, when these are available.

Section 5.56.051.

(a) A licensee shall keep accurate records of commercial cannabis activity.

(b) All records related to commercial cannabis activity as defined by this Chapter shall be maintained for a minimum of seven years.

(c) The City may examine the books and records of a licensee and inspect the premises of a licensee as the City deems necessary to perform its duties under this chapter. All inspections shall be conducted during standard business hours of the licensed facility or at any other reasonable time.

(d) Licensees shall keep records identified by the licensing authorities on the premises of the location licensed. The City may make any examination of the records of any licensee. Licensees shall also provide and deliver copies of documents to the City upon request.

(e) A licensee or its agent, or employee, that refuses, impedes, obstructs, or interferes with an inspection of the premises or records of the licensee pursuant to this section has engaged in a violation of this chapter.

(f) If a licensee or an employee of a licensee fails to maintain or provide the records required pursuant to this section, the licensee shall be subject to a citation and fine of thirty thousand dollars (\$30,000) per individual violation.

Section 5.56.052.

(a) A licensee may only hold a license in up to two separate license categories, as follows:

(1) Type 1, 1A, 1B, 2, 2A, or 2B licensees may also hold either a Type 6 or 7 state license.

(2) Type 6 or 7 licensees, or a combination thereof, may also hold either a Type 1, 1A, 1B, 2, 2A, or 2B state license.

(3) Type 6 or 7 licensees, or a combination thereof, may also hold a Type 10A state license.

(4) Type 10A licensees may also hold either a Type 6 or 7 state license, or a combination thereof.

(5) Type 1, 1A, 1B, 2, 2A, or 2B licensees, or a combination thereof, may also hold a Type 10A state license.

(6) Type 10A licensees may apply for Type 1, 1A, 1B, 2, 2A, or 2B state license, or a combination thereof.

(7) Type 11 licensees shall apply for a Type 12 state license, but shall not apply for any other type of state license.

(8) Type 12 licensees may apply for a Type 11 state license.

(9) A Type 10A licensee may apply for a Type 6 or 7 state license and hold a 1, 1A, 1B, 2, 2A, 2B, 3, 3A, 3B, 4 or combination thereof if, under the 1, 1A, 1B, 2, 2A, 2B, 3, 3A, 3B, 4 or combination of licenses thereof, no more than four acres of total canopy size of cultivation by the licensee is occurring throughout the state during the period that the respective licenses are valid.

(b) Except as provided in subdivision (a), a person or entity that holds a license is prohibited from licensure for any other activity authorized under this chapter, and is prohibited from

holding an ownership interest in real property, personal property, or other assets associated with or used in any other license category.

Section 5.56.053. A licensee shall not also be licensed as a retailer of alcoholic beverages pursuant to Division 9 (commencing with Section 23000) of the California Business & Professions Code.

Section 5.56.054. This chapter shall not interfere with an employer's rights and obligations to maintain a drug and alcohol free workplace or require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growth of cannabis in the workplace or affect the ability of employers to have policies prohibiting the use of cannabis by employees and prospective employees, or prevent employers from complying with state or federal law.

Section 5.56.055.

No license shall be issued for commercial cannabis activity to be conducted on premises that provides ingress or egress to its premises on any side of the location that (i) abuts, (ii) is across a street, alley or walk from, as measured at 90 degrees from the lot lines of the location, or (iii) has a common corner with any land zoned residential, except that an exit door required by the Campbell Municipal Code, Revised may be maintained for emergency egress only and must be locked from the exterior at all times. The above notwithstanding, this subsection shall not prohibit a licensee from locating across a street from, or having a common corner with, any land zoned residential if the licensee's premises are separated from that residential zone by a public thoroughfare with a minimum roadway width of 80 feet.

Section 5.56.056.

(a) Prior to delivery or sale at a dispensary, medical cannabis products shall be labeled and in a tamper-evident package. Labels and packages of medical cannabis products shall meet the following requirements:

(1) Medical cannabis packages and labels shall not be made to be attractive to children.

(2) All medical cannabis product labels shall include the following information, prominently displayed and in a clear and legible font:

(A) Manufacture date and source.

(B) The statement "SCHEDULE I CONTROLLED SUBSTANCE."

(C) The statement "KEEP OUT OF REACH OF CHILDREN AND ANIMALS" in bold print.

(D) The statement "FOR MEDICAL USE ONLY."

(E) The statement "THE INTOXICATING EFFECTS OF THIS PRODUCT MAY BE DELAYED BY UP TO TWO HOURS."

(F) The statement “THIS PRODUCT MAY IMPAIR THE ABILITY TO DRIVE OR OPERATE MACHINERY. PLEASE USE EXTREME CAUTION.”

(G) For packages containing only dried flower, the net weight of medical cannabis in the package.

(H) A warning if nuts or other known allergens are used.

(I) List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total.

(J) Clear indication, in bold type, that the product contains medical cannabis.

(K) Identification of the source and date of cultivation and manufacture.

(L) Any other requirement set by the Bureau.

(M) Information associated with the unique identifier issued by the Department of Food and Agriculture pursuant to Section 11362.777 of the California Health and Safety Code.

(b) Only generic food names may be used to describe edible medical cannabis products.

Part F. Licensed Distributors, Dispensaries, and Transporters

Section 5.56.060. A Type 11 licensee shall hold a Type 12, or transporter, license and register each location where product is stored for the purposes of distribution. A Type 11 licensee shall not hold a license in a cultivation, manufacturing, dispensing, or testing license category and shall not own, or have an ownership interest in, a facility licensed in those categories other than a security interest, lien, or encumbrance on property that is used by a licensee. A Type 11 licensee shall be bonded and insured at a minimum level established by the City, but in no event less than the minimum level required for persons delivering prescription drugs.

Section 5.56.061.

(a) The City shall not issue more than three (3) Type 10 licenses that are active and current at any time.

(b) A licensed dispensary shall implement sufficient security measures to both deter and prevent unauthorized entrance into areas containing medical cannabis or medical cannabis products and theft of medical cannabis or medical cannabis products at the dispensary. These security measures shall include, but not be limited to, all of the following:

(1) Preventing individuals from remaining on the premises of the dispensary if they are not engaging in activity expressly related to the operations of the dispensary.

(2) Establishing limited access areas accessible only to authorized dispensary personnel.

(3) Storing all finished medical cannabis and medical cannabis products in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes, samples, or immediate sale.

(c) A dispensary shall notify the licensing authority and the appropriate law enforcement authorities within 24 hours after discovering any of the following:

(1) Significant discrepancies of more than five percent (5%) identified during inventory

(2) Diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the dispensary.

(3) The loss or unauthorized alteration of records related to cannabis, registered qualifying patients, primary caregivers, or dispensary employees or agents.

(4) Any other breach of security.

(d) Every dispensary must abide by the following operational controls, and failure to do so is grounds for revocation of its license:

(1) No dispensary may remain open and/or operating between the hours of 8 PM and 10 AM;

(2) No dispensary shall permit marijuana and/or alcohol consumption at the premises or in any area of the location used for parking any vehicle;

(3) No dispensary may permit entry of a minor unaccompanied by a parent or legal guardian on its premises;

(4) No dispensary shall permit any cannabis or cannabis products to be visible from the exterior of the premises; and

(5) No dispensary may illuminate any portion of its premises during closure hours by lighting that is visible from the exterior of the premises, except such lighting as is reasonably utilized for the security of the premises.

Section 5.56.062. A Type 12 licensee shall be bonded and insured at a minimum level established by the licensing authority.

Part G. Delivery

Section 5.56.070.

(a) Deliveries, as defined in this chapter, can only be made by a dispensary.

(b) Upon approval of the licensing authority, a licensed dispensary that delivers medical cannabis or medical cannabis products shall require all employees of a dispensary delivering medical cannabis or medical cannabis products shall carry a copy of the dispensary's current license authorizing those services with them during deliveries and the employee's government-issued identification, and shall present that license and identification upon request to state and local law enforcement, employees of regulatory authorities, and other state and local agencies enforcing this chapter.

(c) During delivery, the licensee shall maintain a physical copy of the delivery request and shall make it available upon request of the City and/or City law enforcement officers. The delivery request documentation shall comply with state and federal law regarding the protection of confidential medical information.

(d) The qualified patient or primary caregiver requesting the delivery shall maintain a copy of the delivery request and shall make it available, upon request, to the City and/or City law enforcement officers.

Part H. Licensed Manufacturers and Licensed Laboratories

Section 5.56.080. Licenses to be issued are as follows:

(a) "Manufacturing level 1," for manufacturing sites that produce medical cannabis products using nonvolatile solvents.

(b) "Manufacturing level 2," for manufacturing sites that produce medical cannabis products using volatile solvents. The City shall limit the number of licenses of this type to not more than two (2).

(c) "Testing," for testing of medical cannabis and medical cannabis products. Testing licensees shall have their facilities licensed according to regulations set forth by the California Medical Marijuana Regulation and Safety Act. A testing licensee shall not hold a license in another license category of this chapter and shall not own or have ownership interest in a facility licensed pursuant to this chapter.

Section 5.56.081.

(a) For the purposes of testing medical cannabis or medical cannabis products, licensees shall use a licensed testing laboratory that has adopted a standard operating procedure using methods consistent with general requirements for the competence of testing and calibration activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025 to test medical cannabis and medical cannabis products that are approved by an accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement.

(b) An agent of a licensed testing laboratory shall obtain samples according to a statistically valid sampling method for each lot.

(c) A licensed testing laboratory shall analyze samples according to either of the following:

(1) The most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia.

(2) Scientifically valid methodology that is demonstrably equal or superior to paragraph (1), in the opinion of the accrediting body.

(d) If a test result falls outside the specifications authorized by law or regulation, the licensed testing laboratory shall follow a standard operating procedure to confirm or refute the original result.

(e) A licensed testing laboratory shall destroy the remains of the sample of medical cannabis or medical cannabis product upon completion of the analysis.

Section 5.56.081. A licensed testing laboratory shall not handle, test, or analyze medical cannabis or medical cannabis products unless the licensed testing laboratory meets all of the following:

(a) Is registered by the State Department of Public Health.

(b) Is independent from all other persons and entities involved in the medical cannabis industry.

(c) Follows the methodologies, ranges, and parameters that are contained in the scope of the accreditation for testing medical cannabis or medical cannabis products. The testing lab shall also comply with any other requirements specified by the State Department of Public Health.

(d) Notifies the State Department of Public Health within one business day after the receipt of notice of any kind that its accreditation has been denied, suspended, or revoked.

(e) Has established standard operating procedures that provide for adequate chain of custody controls for samples transferred to the licensed testing laboratory for testing.

Section 5.56.082.

(a) A licensed testing laboratory shall issue a certificate of analysis for each lot, with supporting data, to report both of the following:

(1) Whether the chemical profile of the lot conforms to the specifications of the lot for compounds, including, but not limited to, all of the following:

(A) Tetrahydrocannabinol (THC).

(B) Tetrahydrocannabinolic Acid (THCA).

(C) Cannabidiol (CBD).

(D) Cannabidiolic Acid (CBDA).

(E) The terpenes described in the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia.

(F) Cannabigerol (CBG).

(G) Cannabinol (CBN).

(H) Any other compounds required by the State Department of Public Health.

(2) That the presence of contaminants does not exceed the levels that are the lesser of either the most current version of the American Herbal Pharmacopoeia monograph or the State Department of Public Health. For purposes of this paragraph, contaminants includes, but is not limited to, all of the following:

(A) Residual solvent or processing chemicals.

(B) Foreign material, including, but not limited to, hair, insects, or similar or related adulterant.

(C) Microbiological impurity, including total aerobic microbial count, total yeast mold count, *P. aeruginosa*, *aspergillus* spp., *s. aureus*, aflatoxin B1, B2, G1, or G2, or ochratoxin A.

(D) Whether the batch is within specification for odor and appearance.

(b) Residual levels of volatile organic compounds shall be below the lesser of either the specifications set by the United States Pharmacopeia (U.S.P. Chapter 467) or those set by the State Department of Public Health.

Section 5.56.083.

(a) Except as provided in this chapter, a licensed testing laboratory shall not acquire or receive medical cannabis or medical cannabis products except from a licensed facility in accordance with this chapter, and shall not distribute, sell, deliver, transfer, transport, or dispense medical cannabis or medical cannabis products, from which the medical cannabis or medical cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.

(b) A licensed testing laboratory may receive and test samples of medical cannabis or medical cannabis products from a qualified patient or primary caregiver only if he or she presents his or her valid recommendation for cannabis for medical purposes from a physician. A licensed testing laboratory shall not certify samples from a qualified patient or caregiver for resale or transfer to another party or licensee. All tests performed by a licensed testing laboratory for a qualified patient or caregiver shall be recorded with the name of the qualified patient or caregiver and the amount of medical cannabis or medical cannabis product received.

Part I. Cultivation.

Section 5.56.090.

(a) The cultivation of marijuana, whether grown commercially or individually, in any amount or quantity, shall not be allowed in the following areas:

(1) Outdoors within one hundred (100) feet of any occupied legal residential structure located on a separate parcel;

(2) Outdoors in a mobile home park as defined in Health and Safety Code Section 18214.1 within one hundred (100) feet of an occupied mobile home that is under separate ownership;

(3) In any location where the marijuana plants are visible from the public right of way or publicly traveled private roads.

(4) Outdoors within fifty (50) feet of a parcel under separate ownership.

(b) The distance between the above-listed uses in subsection (a) and marijuana that is being cultivated shall be measured in a straight line from the nearest point of the fence required in Section 5.56.091, or if the marijuana is cultivated indoors, from the nearest exterior wall of the building in which the marijuana is cultivated to the nearest boundary line of the property on which the facility, building, or structure, or portion of the facility, building, or structure in which the above-listed use occurs is located. The distance in subsections (a)(2) and (a)(3) to any residential structure shall be measured from the fence required in Section 5.56.091 to the nearest exterior wall of the residential structure.

Section 5.56.091.

(a) It is declared to be unlawful for any person owning, leasing, occupying, or having charge or possession of any parcel of land within the City to cause or allow such parcel of land to be used for the outdoor or indoor cultivation of marijuana plants for medicinal purposes in excess of the limitations imposed by the California Health & Safety Code.

(b) The indoor or outdoor cultivation of marijuana shall not subject residents of neighboring parcels who are of normal sensitivity to objectionable odors.

(c) The use of light assistance for the outdoor cultivation of marijuana shall not exceed a maximum of six hundred (600) watts of lighting capacity per one hundred (100) square feet of growing area.

(d) All lights used for the cultivation of marijuana shall be shielded and downcast or otherwise positioned in a manner that will not shine light or allow light glare to exceed the boundaries of the parcel upon which they are placed.

(e) The indoor or outdoor cultivation of marijuana shall not exceed the noise level standards as set forth in the Campbell Municipal Code, Revised.

(f) The indoor or outdoor cultivation of marijuana shall not utilize water that has been or is illegally diverted from any stream, creek, or river.

(g) The indoor or outdoor cultivation of marijuana shall not create erosion or result in contaminated runoff into any stream, creek, river or body of water.

(h) All marijuana grown outdoors must be within a secure fence at least six (6) feet in height that fully encloses the immediate garden area. The fence must include a lockable gate that is locked at all times when a qualified patient or caregiver is not in the immediate area. Said fence shall not violate any other ordinance, code section or provision of law regarding height and location restrictions and shall not be constructed or covered with plastic or cloth except shade cloth may be used on the inside of the fence.

(i) All buildings where marijuana is cultivated or stored shall be properly secured to prevent unauthorized entry.

(j) Nothing in this Section shall be construed as a limitation on the City's authority to abate any violation which may exist from the cultivation of marijuana plants or any part thereof from any location, indoor or outdoor, including from within a fully enclosed and secure building.

Part J. Privacy

Section 5.56.100.

(a) Information identifying the names of patients, their medical conditions, or the names of their primary caregivers received and contained in records kept by the City for the purposes of administering this chapter are confidential and shall not be disclosed pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), except as necessary for authorized employees of the State of California or any city, county, or city and county to perform official duties pursuant to this chapter.

(b) Information identifying the names of patients, their medical conditions, or the names of their primary caregivers received and contained in records kept by the bureau for the purposes of administering this chapter shall be maintained in accordance with Chapter 1 (commencing with Section 123100) of Part 1 of Division 106 of the California Health and Safety Code, Part 2.6 (commencing with Section 56) of Division 1 of the California Civil Code, and other state and federal laws relating to confidential patient information.

(c) Nothing in this section precludes the following:

(1) Employees of the City notifying state or local agencies about information submitted to the agency that the employee suspects is falsified or fraudulent.

(2) Notifications from the City to state or local agencies about apparent violations of this chapter or applicable local ordinance.

(3) Verification of requests by state or local agencies to confirm licenses and certificates issued by the regulatory authorities or other state agency.

(4) Provision of information requested pursuant to a court order or subpoena issued by a court or an administrative agency or local governing body authorized by law to issue subpoenas.

(d) Information shall not be disclosed by the City beyond what is necessary to achieve the goals of a specific investigation, notification, or the parameters of a specific court order or subpoena.

SECTION 4. FINDINGS REGARDING RIGHTS TO PRIVACY

The People of the City of Campbell find and declare that Section 3 of this act, which adds Section 5.56.100 to the Campbell Municipal Code, Revised, thereby imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the People of the City of Campbell make the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest: the limitation imposed under this act is necessary for purposes of compliance with the federal Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Sec. 1320d et seq.), the Confidentiality of Medical Information Act (Part 2.6 (commencing with Section 56) of Division 1 of the California Civil Code), and the Insurance Information and Privacy Protection Act (Article 6.6 (commencing with Section 791) of Part 2 of Division 1 of the California Insurance Code).

SECTION 5. SEVERABILITY

The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

JUN 21 2016

CITY CLERK'S OFFICE

CAMPBELL MEDICAL MARIJUANA REGULATION AND SAFETY ACT OF 2016

The People of the City of Campbell do ordain as follows:

SECTION 1. TITLE

This initiative shall be known and may be cited as the Campbell Medical Marijuana Regulation and Safety Act of 2016.

SECTION 2. FINDINGS AND DECLARATIONS

The People of the City of Campbell find all of the following to be true:

A. We strongly support the right of seriously ill patients to use medical marijuana in the treatment of cancer, anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis, migraines, or any other serious illness or condition for which marijuana provides relief.

B. We oppose the arrest, prosecution, and incarceration of persons legally-qualified under the Compassionate Use Act of 1996, codified as California Health & Safety Code Section 11362.5 and enacted through Proposition 215, the Medical Marijuana Program Act of 2004, as amended, codified as California Health & Safety Code Sections 11362.7 through 11362.83, inclusive, and enacted through Senate Bill 420, and the Medical Marijuana Regulation and Safety Act of 2016, codified as Business & Professions Code Sections 27, 101, and 205.1, California Government Code Section 9147.7, California Health & Safety Code Sections 11362.775 and 19300 through 19355, inclusive, California Labor Code Section 147.5, and California Revenue & Taxation Code Section 31020, by local, state, or federal law enforcement.

C. The cultivation and provision of medical marijuana should occur in a safe and orderly manner in order to protect patients and the community. In the absence of clear guidelines, there has been a lack of consistency in the permitting and regulation of medical marijuana cultivation and dispensing.

D. The people of the City of Campbell find and declare that we enact this initiative pursuant to the powers reserved to the State of California, the City of Campbell, and its people under the Tenth Amendment to the United States Constitution.

SECTION 3. ADDITION OF CHAPTER 5.56, "MEDICAL MARIJUANA REGULATION AND SAFETY," TO TITLE 5 OF THE CAMPBELL MUNICIPAL CODE, REVISED

Chapter 5.56, entitled "Medical Marijuana Regulation and Safety" is added to Title 5, entitled "Business Licenses and Regulations," of the Campbell Municipal Code, Revised and shall read as follows:

Chapter 5.56 – Medical Marijuana Regulation and Safety

Part A. Definitions.

Section 5.56.010. This act shall be known and may be cited as the Campbell Medical Marijuana Regulation and Safety Act of 2016.

Section 5.56.011. For purposes of this chapter, the following definitions shall apply:

- (a) “Applicant,” for purposes of Part D (commencing with Section 5.56.040), means the following:
 - (1) Owner or owners of a proposed facility, including all persons or entities having ownership interest other than a security interest, lien, or encumbrance on property that will be used by the facility.
 - (2) If the owner is an entity, “owner” includes within the entity each person participating in the direction, control, or management of, or having a financial interest in, the proposed facility.
 - (3) If the applicant is a publicly traded company, “owner” means the chief executive officer or any person or entity with an aggregate ownership interest of 5 percent or more.
- (b) “Bureau” means the Bureau of Medical Marijuana Regulation within the California Department of Consumer Affairs.
- (c) “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 1407 of the Statutes of 1972. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, “cannabis” does not mean “industrial hemp” as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- (d) “Cannabis concentrate” means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product’s potency.

- (e) "Caregiver" or "primary caregiver" has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.
- (f) "City" means the City of Campbell.
- (g) "Commercial cannabis activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medical cannabis or a medical cannabis product, except as set forth in Section 5.56.040, related to qualifying patients and primary caregivers.
- (h) "Delivery" means the commercial transfer of medical cannabis or medical cannabis products from a dispensary, up to an amount determined by the bureau to a primary caregiver or qualified patient as defined in Section 11362.7 of the California Health and Safety Code, or a testing laboratory. "Delivery" also includes the use by a dispensary of any technology platform owned and controlled by the dispensary, or independently licensed under this chapter, that enables qualified patients or primary caregivers to arrange for or facilitate the commercial transfer by a licensed dispensary of medical cannabis or medical cannabis products.
- (i) "Dispensary" means a facility where medical cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers medical cannabis and medical cannabis products as part of a retail sale.
- (j) "Dispensing" means any activity involving the retail sale of medical cannabis or medical cannabis products from a dispensary.
- (k) "Edible cannabis product" means manufactured cannabis that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum. An edible medical cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the Health and Safety Code.
- (l) "License" means a license issued by the City pursuant to this chapter.
- (m) "Licensee" means a person issued a license under this chapter.
- (n) "Live plants" means living medical cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.
- (o) "Medical cannabis," "medical cannabis product," or "cannabis product" means a product containing cannabis, including, but not limited to, edible cannabis products, cannabis concentrates, or topical cannabis intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of California the Health and Safety Code. For the purposes of this chapter, "medical cannabis" does not include "industrial hemp" as defined by Section

81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

- (p) "Person" means an 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 includes the plural as well as the singular number.
- (q) "State license," or "State registration" means a state license issued by the Bureau.
- (r) "Topical cannabis" means a product intended for external use. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.

Part B. Administration

Section 5.56.020. The City shall issue licenses only for dispensaries, as defined in this chapter.

Section 5.56.021. Protection of the public shall be the highest priority for the City in exercising its licensing, regulatory, and disciplinary functions under this chapter. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

Section 5.56.022. The City shall make and prescribe reasonable rules as may be necessary or proper to carry out the purposes and intent of this chapter and to enable it to exercise the powers and duties conferred upon it by this chapter, not inconsistent with any statute of this state, including particularly this chapter and Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the performance of its duties, the Bureau has the power conferred by Sections 11180 to 11191, inclusive, of the California Government Code.

Section 5.56.023. Notice of any action of the City required by this chapter to be given may be signed and given by the planning director or an authorized employee of the department and may be made personally or in the manner prescribed by Section 1013 of the California Code of Civil Procedure.

Section 5.56.024.

- (a) The City may convene an advisory committee to advise the City on the development of standards and regulations pursuant to this chapter, including best practices and guidelines to ensure qualified patients have adequate access to medical cannabis and medical cannabis products. The advisory committee members shall be determined by the city manager.
- (b) The advisory committee members may include, but not be limited to, representatives of the medical marijuana industry, representatives of medical marijuana cultivators,

appropriate local agencies, appropriate local law enforcement, physicians, environmental and public health experts, and medical marijuana patient advocates.

Section 5.56.025. The City may make or cause to be made such investigation as it deems necessary to carry out its duties under this chapter.

Section 5.56.026. For any hearing held pursuant to this chapter, the City may delegate the power to hear and decide to an administrative law judge. Any hearing before an administrative law judge shall be pursuant to the procedures, rules, and limitations prescribed in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the California Government Code.

Section 5.56.027. In any hearing before the City pursuant to this chapter, the City may pay any person appearing as a witness at the hearing at the request of the City pursuant to a subpoena, his or her actual, necessary, and reasonable travel, food, and lodging expenses, not to exceed the amount authorized for state employees.

Section 5.56.028. The City may on its own motion at any time before a penalty assessment is placed into effect and without any further proceedings, review the penalty, but such review shall be limited to its reduction.

Part C. Enforcement

Section 5.56.030. Grounds for disciplinary action include:

- (a) Failure to comply with the provisions of this chapter or any rule or regulation adopted pursuant to this chapter.
- (b) Conduct that constitutes grounds for denial of licensure pursuant to Title 5 of the Campbell Municipal Code, Revised.
- (c) Any other grounds contained in regulations adopted by the City pursuant to this chapter.
- (d) Failure to comply with any state law, except as provided for in this chapter or other California law.

Section 5.56.031. The City may suspend or revoke licenses, after proper notice and hearing to the licensee, if the licensee is found to have committed any of the acts or omissions constituting grounds for disciplinary action. The disciplinary proceedings under this chapter shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the California Government Code, and the City shall have all the powers granted therein.

Section 5.56.032. The City may take disciplinary action against a licensee for any violation of this chapter when the violation was committed by the licensee's agent or employee while acting

on behalf of the licensee or engaged in activity for which the licensee has obtained a license under this chapter.

Section 5.56.033. Upon suspension or revocation of a license, the City shall inform the Bureau, who is previously tasked under the California Medical Marijuana Regulation and Safety Act (AB 266) with informing all other licensing authorities and the Department of Food and Agriculture.

Section 5.56.034. All accusations against licensees shall be filed by the City within five (5) years after the performance of the act or omission alleged as the ground for disciplinary action; provided, however, that the foregoing provision shall not constitute a defense to an accusation alleging fraud or misrepresentation as a ground for disciplinary action. The cause for disciplinary action in such case shall not be deemed to have accrued until discovery, by the City, of the facts constituting the fraud or misrepresentation, and, in such case, the accusation shall be filed within five years after such discovery.

Section 5.56.035. Nothing in this chapter shall be interpreted to supersede or limit state agencies from exercising their existing enforcement authority under the California Fish and Game Code, the California Water Code, the California Food and Agricultural Code, or the California Health and Safety Code.

Section 5.56.036.

- (a) The actions of a licensee, its employees, and its agents that are (1) permitted pursuant to a license or permit issued by the City, and (2) conducted in accordance with the requirements of this chapter and regulations adopted pursuant to this chapter, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.
- (b) The actions of a person who, in good faith, allows his or her property to be used by a licensee, its employees, and its agents, as permitted pursuant to a City license or permit following the requirements of this chapter, are not unlawful under state law and shall not be an offense subject to arrest, prosecution, or other sanction under state law, or be subject to a civil fine or be a basis for seizure or forfeiture of assets under state law.

Section 5.56.037.

- (a) A person engaging in commercial cannabis activity without a license required by this chapter shall be subject to civil penalties of up to twice the amount of the license fee for each violation, and the court may order the destruction of medical cannabis associated with that violation in accordance with Section 11479 of the California Health and Safety Code. Each day of operation shall constitute a separate violation of this section. All civil penalties imposed and collected pursuant to this section shall be deposited into the City's general treasury.
- (b) If an action for civil penalties is brought against a licensee pursuant to this chapter by the City Attorney or City Prosecutor or the California Attorney General on behalf of the people, the penalty collected shall be deposited into the City's general treasury.

- (c) Notwithstanding subdivision (a), criminal penalties shall continue to apply to an unlicensed person engaging in commercial cannabis activity in violation of this chapter, including, but not limited to, those individuals covered under Section 11362.7 of the California Health and Safety Code.

Part D. Licensing

Section 5.56.040.

- (a) The City may issue licenses only to qualified applicants who intend to and do engage in dispensing medical cannabis pursuant to this chapter. Upon the date of implementation of regulations by the City, no person shall engage in any commercial cannabis activity without possessing a permit or license from the City.
- (b) Revocation of the City's license or permit shall terminate the ability of the licensee to operate within the City until the City reinstates or reissues the license or permit. The City shall notify the Bureau upon revocation of the City license or permit.
- (c) Upon the Bureau's issuance of licenses under the California Medical Marijuana Regulation and Safety Act, a licensee shall be required to maintain a license issued by the Bureau subject to all of the requirements thereof. Revocation of a state license shall terminate the ability of a medical cannabis licensee to operate within the City until the Bureau reinstates or reissues the state license.
- (d) Each licensee shall obtain a separate license for each location where it operates its dispensary.
- (e) Nothing in this chapter shall be construed to supersede or limit state agencies, including the State Water Resources Control Board and Department of Fish and Wildlife, from establishing fees to support their medical cannabis regulatory programs.
- (f) The City may not issue licenses pursuant to this chapter to more than three (3) licensees operating at the same time. In the event that a licensee's license issued pursuant to this chapter is revoked, then the City may issue a license to another applicant, provided that there are not more than three (3) active licensees at any given time.
- (g) An applicant must own the property on which it intends to operate its commercial cannabis activity as evidenced by a deed in the name of the applicant or in the name of a trust of which the applicant is a trustee.

Section 5.56.041. A license issued pursuant to this Chapter section shall be valid for 12 months from the date of issuance. The license shall be renewed annually.

Section 5.56.042.

- (a) No license shall be issued by the City for commercial cannabis activity in any zone in the City other than the manufacturing (C-M and M-1) and Planned Development (P-D)

zones, except that a dispensary may engage in delivery of medical cannabis to a qualified patient or primary caregiver at the residence of such qualified patient or primary caregiver. Any activity conducted by a licensee pursuant to this Chapter is expressly deemed not to be inconsistent with federal law as those terms are used in Section 21.12.030(F)(2) of the Campbell Municipal Code, Revised.

- (b) No licensee shall operate its business within a 600-foot radius of a school. The distance specified in this section shall be the horizontal distance measured in a straight line from the furthest property line of the school to the closest property line of the lot on which the medical marijuana cooperative, collective, dispensary, operator, establishment, or provider is to be located without regard to intervening structures. For the purposes of this section, "school" means any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes.

Section 5.56.043. The City shall act on all license applications within ninety (90) days that the application is received by the City and shall review applications in the chronological order received by the City.

Section 5.56.044. The City shall create and promulgate a form of an application for a license to be issued under this chapter within sixty (60) days of the enactment of this chapter. Such application form will be made available at City Hall and shall also be available on the City's website. The application will contain sufficient questions and requests for documentation to be provided by the applicant to the City to ensure the applicant complies with all aspects of this chapter.

Section 5.56.045. A licensee shall not also be licensed as a retailer of alcoholic beverages pursuant to Division 9 (commencing with Section 23000) of the California Business & Professions Code.

Section 5.56.046. No license shall be issued for commercial cannabis activity to be conducted on premises that provides ingress or egress to its premises on any side of the location that (i) abuts, (ii) is across a street, alley or walk from, as measured at 90 degrees from the lot lines of the location, or (iii) has a common corner with any land zoned residential, except that an exit door required by the Campbell Municipal Code, Revised may be maintained for emergency egress only and must be locked from the exterior at all times. The above notwithstanding, this subsection shall not prohibit a licensee from locating across a street from, or having a common corner with, any land zoned residential if the licensee's premises are separated from that residential zone by a public thoroughfare with a minimum roadway width of 80 feet.

Section 5.56.047.

- (a) No City license shall be required for individual qualified patients cultivating medical cannabis marijuana pursuant to California Health & Safety Code Section 11362.5 if the area he or she uses to cultivate marijuana does not exceed 100 square feet and he or she cultivates marijuana for his or her personal medical use and does not sell, distribute, donate, or provide marijuana to any other person or entity.

- (b) No City license shall be required for primary caregivers cultivating medical cannabis pursuant to California Health & Safety Code Section 11362.5 if the area he or she uses to cultivate marijuana does not exceed 500 square feet and he or she cultivates marijuana exclusively for the personal medical use of no more than five specified qualified patients for whom he or she is the primary caregiver within the meaning of California Health & Safety Code Section 11362.7 and does not receive remuneration for these activities, except for compensation provided in full compliance with subdivision (c) of California Health & Safety Code Section 11362.765.
- (c) For purposes of this section, the area used to cultivate marijuana shall be measured by the aggregate area of vegetative growth of live plants on the premises.

Part E. Medical Marijuana Regulation

Section 5.56.050.

- (a) A licensed dispensary shall implement sufficient security measures to both deter and prevent unauthorized entrance into areas containing medical cannabis or medical cannabis products and theft of medical cannabis or medical cannabis products at the dispensary. These security measures shall include, but not be limited to, all of the following:
 - (1) Preventing individuals from remaining on the premises of the dispensary if they are not engaging in activity expressly related to the operations of the dispensary.
 - (2) Establishing limited access areas accessible only to authorized dispensary personnel.
 - (3) Storing all finished medical cannabis and medical cannabis products in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes, samples, or immediate sale.
- (b) A dispensary shall notify the City and the appropriate law enforcement authorities within 24 hours after discovering any of the following:
 - (1) Significant discrepancies of more than five percent (5%) identified during inventory.
 - (2) Diversion, theft, loss, or any criminal activity involving the dispensary or any agent or employee of the dispensary.
 - (3) The loss or unauthorized alteration of records related to cannabis, registered qualifying patients, primary caregivers, or dispensary employees or agents.
 - (4) Any other breach of security.

- (c) Every dispensary must abide by the following operational controls, and failure to do so is grounds for revocation of its license:
 - (1) No dispensary may remain open and/or operating between the hours of 8 PM and 10 AM.
 - (2) No dispensary shall permit cannabis and/or alcohol consumption at the premises or in any area of the location used for parking any vehicle.
 - (3) No dispensary may permit entry of a minor unaccompanied by a parent or legal guardian on its premises.
 - (4) No dispensary shall permit any cannabis or cannabis products to be visible from the exterior of the premises.
 - (5) No dispensary may illuminate any portion of its premises during closure hours by lighting that is visible from the exterior of the premises, except such lighting as is reasonably utilized for the security of the premises.

Section 5.56.051.

- (a) Deliveries, as defined in this chapter, can only be made by a dispensary.
- (b) Upon issuance of a license under this chapter, a dispensary that delivers medical cannabis or medical cannabis products shall require all employees of a dispensary delivering medical cannabis or medical cannabis products shall carry a copy of the dispensary's current license authorizing those services with them during deliveries and the employee's government-issued identification, and shall present that license and identification upon request to state and local law enforcement, employees of regulatory authorities, and other state and local agencies enforcing this chapter.
- (c) During delivery, the licensee shall maintain a physical copy of the delivery request and shall make it available upon request of the City and/or City law enforcement officers. The delivery request documentation shall comply with state and federal law regarding the protection of confidential medical information.
- (d) The qualified patient or primary caregiver requesting the delivery shall maintain a copy of the delivery request and shall make it available, upon request, to the City and/or City law enforcement officers.

Section 5.56.052.

- (a) A licensee shall keep accurate records of commercial cannabis activity.
- (b) All records related to commercial cannabis activity as defined by this Chapter shall be maintained for a minimum of seven years.
- (c) The City may examine the books and records of a licensee and inspect the premises of a licensee as the City deems necessary to perform its duties under this chapter. All

inspections shall be conducted during standard business hours of the licensed facility or at any other reasonable time.

- (d) Licensees shall keep records identified by the licensing authorities on the premises of the location licensed. The City may make any examination of the records of any licensee. Licensees shall also provide and deliver copies of documents to the City upon request.
- (e) A licensee or its agent, or employee, that refuses, impedes, obstructs, or interferes with an inspection of the premises or records of the licensee pursuant to this section has engaged in a violation of this chapter.
- (f) If a licensee or an employee of a licensee fails to maintain or provide the records required pursuant to this section, the licensee shall be subject to a citation and fine of thirty thousand dollars (\$30,000) per individual violation.

Section 5.56.053. This chapter shall not interfere with an employer's rights and obligations to maintain a drug and alcohol free workplace or require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growth of cannabis in the workplace or affect the ability of employers to have policies prohibiting the use of cannabis by employees and prospective employees, or prevent employers from complying with state or federal law.

Part F. Privacy

Section 5.56.060.

- (a) Information identifying the names of patients, their medical conditions, or the names of their primary caregivers received and contained in records kept by the City for the purposes of administering this chapter are confidential and shall not be disclosed pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), except as necessary for authorized employees of the State of California or any city, county, or city and county to perform official duties pursuant to this chapter.
- (b) Information identifying the names of patients, their medical conditions, or the names of their primary caregivers received and contained in records kept by the bureau for the purposes of administering this chapter shall be maintained in accordance with Chapter 1 (commencing with Section 123100) of Part 1 of Division 106 of the California Health and Safety Code, Part 2.6 (commencing with Section 56) of Division 1 of the California Civil Code, and other state and federal laws relating to confidential patient information.
- (c) Nothing in this section precludes the following:
 - (1) Employees of the City notifying state or local agencies about information submitted to the agency that the employee suspects is falsified or fraudulent.

- (2) Notifications from the City to state or local agencies about apparent violations of this chapter or applicable local ordinance.
 - (3) Verification of requests by state or local agencies to confirm licenses and certificates issued by the regulatory authorities or other state agency.
 - (4) Provision of information requested pursuant to a court order or subpoena issued by a court or an administrative agency or local governing body authorized by law to issue subpoenas.
- (d) Information shall not be disclosed by the City beyond what is necessary to achieve the goals of a specific investigation, notification, or the parameters of a specific court order or subpoena.

SECTION 4. FINDINGS REGARDING RIGHTS TO PRIVACY

The People of the City of Campbell find and declare that Section 3 of this act, which adds Section 5.56.060 to the Campbell Municipal Code, Revised, thereby imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the People of the City of Campbell make the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest: the limitation imposed under this act is necessary for purposes of compliance with the federal Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Sec. 1320d et seq.), the Confidentiality of Medical Information Act (Part 2.6 (commencing with Section 56) of Division 1 of the California Civil Code), and the Insurance Information and Privacy Protection Act (Article 6.6 (commencing with Section 791) of Part 2 of Division 1 of the California Insurance Code).

SECTION 5. SEVERABILITY

The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

MEMORANDUM



City of Campbell

City Clerk's Office

To: Honorable Mayor and City Council

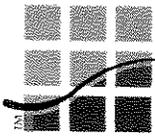
Date: October 4, 2016

From: Andrea Sanders, Deputy City Clerk *AS*

Via: Mark Linder, City Manager *ML*

Subject: Desk Item 00A – Letter from Susan Landry

On October 4, 2016, a letter was received from Susan Landry as part of the public record in regards to Item 10.



Susan M. Landry
Environmental Architect
LA Lic. No. 3161

3rd Oct °16

Campbell City Council Study Session Medical Marijuana

Honorable Mayor & City Councilmembers
City of Campbell
70 N. First Street
Campbell, CA 95008

RE: Oct. 4th 2016 City Council Study Session
Subj: Medical Marijuana

I would like to share my personal and professional experiences that I have regarding Medical Marijuana (MMJ). I am providing this information to you to consider during the discussions at this Study Session. You might be asking yourselves, why am I involved with Medical Marijuana?

My involvement in the Medical Marijuana Industry has been a very personal journey.

My Brother Michael died in 2010 from colon cancer at the age of 47. He was a very successful and prominent Patent Attorney & Electronic Engineer. For over 5 years prior to his death, he suffered miserably from colon cancer. He had several surgeries, including removal of a foot of his colon. His pain was unbearable. The doctors prescribed medications such as a morphine pump and oxycodone. He also suffered through several rounds of Chemotherapy. He was miserable! As part of his treatment, his Oncologist at Scripps recommended he use MMJ to help with his pain and to help alleviate the debilitating side effects of all his treatments.

Medical Marijuana helped him. Except he was afraid of the stigma attached with MMJ - What would his friends think? As a Patent Attorney, he worried - What would his clients work think if they knew? This is really sad: **Why should someone dying have to worry about what medicine they use to help?** Why shouldn't everyone have the right to use the medicine(s) recommended by their doctor? A person has a right to make their own choice.

After my brother passed away, I became an Advocate for MMJ Patients & their Rights to have access to MMJ. My Goals: Ensure that Patients are treated with Compassion and have access to MMJ that is of high quality, safe and affordable, provide Agencies with perspectives of how the MMJ Programs are impacting, as well as benefiting Patients and the Community, work towards Strong, Fair, Defensible & Compassionate Regulations of MMJ and to work with local Agencies to address the problems with abuse of Marijuana by children.

Little did I know where this journey would take me.

Starting in 2010, I became actively involved as a resident in the City of San Jose's process of regulating MMJ. I started by speaking before Council, sharing my personal experiences. That evolved into becoming a voice for patients. As the years passed and San Jose developed their MMJ Program, the Title 20 and Title 6 Ordinances, I found that I could make a contribution as a professional.

CSJ's Title 20 requirements for site selection included identifying the setbacks from sensitive uses, such as schools, parks and residences. This required drawing a map! Guess what, I love drawing maps! I was hired by six Collectives to help them obtain their Title 20 Certificate. Next thing I knew I was preparing their Title 6 Applications, writing Odor Management Plans, Security Plans and helping them develop their floor plans. All six of these Collectives obtained their Title 20 Certificate. Only four went forward to obtain Title 6 Registration. To receive a Registration Certificate, the Collective had to build a facility that complied with the very stringent requirements of the MMJ Ordinance.

Building a MMJ Collective:

Working with an Architect whose brother was suffering from cancer, we formed a team with Mechanical, Electrical and Structural Engineers and started the extensive process of obtaining Building Permits. This was not an easy task! Nor was it cheap.

This entire process was not only new to our team, but it was also new for CSJ's staff. It became a team learning experience. Designing for Odor Management became the biggest hurdle. We were basically building a clean lab with scrubbers, filters and sophisticated air circulation systems. Dispensary's also needed things like advanced security systems with cameras and video surveillance that the Police could monitor live.

We were successful in obtaining Construction Permits for the four Collectives. Then the fun began. There were numerous interim construction deadlines that had to be met and extensive inspections by Code Enforcement, Fire, Police and the Building Departments. All construction had to be completed by Dec 18th 2016 and all other provisions in Title 6 had to be submitted – signs with Patients Rules, Notices and disclaimers. Prior to opening, I also helped Collective develop their MMJ 'seed to sale' Tracking Systems. **Three Collectives received their Certificate of Registration and are part of the 16 Collectives the City approved.** (The one that did not make it had financial problems) I did not stop here.

My Journey Continues:

I continue to work with these Collectives, CSJ's City Manager's Office and the Police Department as San Jose considers potential changes to the Title 20 and Title 6 Ordinances. These changes are currently under review and will be considered at CSJ's City Council Meeting on Oct. 18th.

In 2015, the California Legislature passed and the Governor signed into law three bills (Assembly Bills 243 and 266, and Senate Bill 643) that create a licensing and regulatory framework for medical cannabis. It is anticipated that the regulations will be developed by January 1, 2018. I attended the State's recent workshop in Oakland.

As a Campbell resident, I want to be involved in the City's process. Based on my experiences over the past five plus years, my hope is to contribute to the discussions and the process as the City considers their options regarding a MMJ Program.

What I have learned throughout this long journey:

- Medical Marijuana Regulations and the potential recreational use in CA is very complex and is constantly changing.
- Whatever a City does now, will most likely change as the California Bureau of Medical Cannabis Regulations develops their licensing program.
- **Significant financial costs** are required for a City to have a robust and comprehensive MMJ program.

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- City's need to have extensive expertise and knowledge to implement a successful MMJ program.

My thoughts on what Campbell could do to move forward:

- For Campbell to develop a MMJ Program, either by choice or by the potential Initiative Petition, the City will incur **substantial costs** related to permitting and regulating Dispensaries and limited cultivation.
- Campbell does not have to re-invent the wheel.
- **Investigate the potential of a Joint Partnership with the City of San Jose. This will allow Campbell to utilize CSJ's staff, their expertise and the regulatory structure.**

I look forward to attending the Study Session and am very interested to see how the City moves forward.
Thank you for your time and consideration.

Sincerely,



Susan M. Landry Environmental Architect