

AGENDA
CITY OF WATSONVILLE
PLANNING COMMISSION MEETING

Opportunity Through Diversity; Unity Through Cooperation.



Working with our community to create positive impact through service with heart.

Chair Matthew H. Jones, District 6
Vice Chair, Anna Kammer, District 5

Jenny Sarmiento, District 1
Gina Cole, District 2
Jenni Veitch-Olson, District 3
Veronica Dorantes-Pulido, District 4
Ed Acosta, District 7

Suzi Merriam, Secretary to Planning Commission
Alan J. Smith, City Attorney
Deborah Muniz, Recording Secretary

275 Main Street, Top Floor
Watsonville, CA

Spanish language interpretation is available



Americans with Disabilities Act

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Meetings are televised live on Charter Cable Communications Channel 70 and AT&T Channel 99 and re-broadcast on Thursday at 5:00 p.m. and Saturday at 8:00 a.m. the same week of the meeting. For information regarding this agenda or interpretation services, please call the City Clerk's Office at (831) 768-3040.

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PRESENTATIONS AND ORAL COMMUNICATIONS

This time is set aside for members of the general public to address the Planning Commission on any item not on the Agenda, which is within the subject matter jurisdiction of the Planning Commission. No action or discussion shall be taken on any item presented except that any Commissioner may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters relating to Planning Commission will be noted in the minutes and may be scheduled for discussion at a future meeting or referred to staff for clarification and report. Any Commissioner may place matters brought up under Oral Communications on a future agenda. ALL SPEAKERS ARE ASKED TO FILL OUT A CARD & LEAVE IT AT THE PODIUM, ANNOUNCE THEIR NAME AND ADDRESS IN ORDER TO OBTAIN AN ACCURATE RECORD FOR THE MINUTES.

4. CONSENT AGENDA

All items appearing on the Consent Agenda are recommended actions which are considered to be routine and will be acted upon as one consensus motion. Any items removed will be considered immediately after the consensus motion. The Chair will allow public input prior to the approval of the Consent Agenda.

A. [DECEMBER 3, 2019 MINUTES](#)

Attachments: [December 3, 2019 Minutes](#)

5. PUBLIC HEARINGS

A. [TO CONSIDER AN APPLICATION FOR A SPECIAL USE PERMIT WITH ENVIRONMENTAL REVIEW \(PP2019-346\) TO ALLOW THE ESTABLISHMENT OF AN OFF-SALE BEER AND WINE LICENSE UNDER NEW OWNERSHIP FOR AN EXISTING GAS STATION WITH A 1,061 SQUARE FOOT CONVENIENCE STORE \(32 ENTERPRISES INC\) LOCATED AT 1180 MAIN STREET \(APN: 016-172-19\), FILED BY RAHIL HUSSAIN, APPLICANT, ON BEHALF OF 7-ELEVEN, INC., PROPERTY OWNER](#)

Attachments: [1180 Main Street - Report](#)
 [1180 Main Street- Resolution](#)

- 1) Staff Report

- 2) Planning Commission Clarifying & Technical Questions
- 3) Applicant Presentation
- 4) Planning Commission Clarifying & Technical Questions
- 5) Public Hearing
- 6) Appropriate Motion(s)
- 7) Deliberation
- 8) Chair Calls for a Vote on Motion(s)

B. [TO CONSIDER AN APPLICATION FOR A SPECIAL USE PERMIT WITH ENVIRONMENTAL REVIEW \(PP2019-347\) TO ALLOW THE ESTABLISHMENT OF AN OFF-SALE BEER AND WINE LICENSE UNDER NEW OWNERSHIP FOR AN EXISTING GAS STATION WITH A 1,040 SQUARE FOOT CONVENIENCE STORE \(32 ENTERPRISES INC\) LOCATED AT 1597 FREEDOM BOULEVARD \(APN: 016-501-18\), FILED BY RAHIL HUSSAIN, APPLICANT, ON BEHALF OF 7-ELEVEN, INC., PROPERTY OWNER](#)

Attachments: [1597 Freedom Boulevard - Report](#)
 [1597 Freedom Boulevard - Resolution](#)

- 1) Staff Report
- 2) Planning Commission Clarifying & Technical Questions
- 3) Applicant Presentation
- 4) Planning Commission Clarifying & Technical Questions
- 5) Public Hearing

- 6) Appropriate Motion(s)
- 7) Deliberation
- 8) Chair Calls for a Vote on Motion(s)

C. [RECOMMENDATION TO CITY COUNCIL ON AMENDMENTS TO CHAPTER 14-16 \(DISTRICT REGULATIONS\) AND 14-53 \(CANNABIS FACILITIES\) OF THE WATSONVILLE MUNICIPAL CODE REGARDING CANNABIS FACILITIES](#)

Attachments: [Cannabis Ordinance - Report](#)
 [Cannabis Ordinance - Resolution](#)
 [Cannabis Ordinance Correspondence](#)

- 1) Staff Report
- 2) Planning Commission Clarifying & Technical Questions
- 3) Public Hearing
- 4) Appropriate Motion(s)
- 5) Deliberation
- 6) Chair Calls for a Vote on Motion(s)

6. REPORT OF THE SECRETARY

7. ADJOURNMENT

The next meeting is scheduled for Tuesday, February 4, 2020 at 6:00 p.m., in the City Council Chambers, 275 Main Street, 4th Floor (6th level parking), Watsonville, California.

MINUTES

REGULAR MEETING OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE

COUNCIL CHAMBERS
275 MAIN STREET, 4th FLOOR, WATSONVILLE, CALIFORNIA

December 3, 2019

6:04 PM

In accordance with City policy, all Planning Commission meetings are recorded on audio and video in their entirety, and are available for review in the Community Development Department (CDD). These minutes are a brief summary of action taken.

1. ROLL CALL

Chair Jenni Veitch-Olson, Vice-Chair Matthew H. Jones, and Commissioners Anna Kammer, Jenna Rodriguez, and Jenny T. Sarmiento were present. Commissioners Ed Acosta and Phillip F. Tavaréz were absent.

Staff members present were City Attorney Alan Smith, Community Development Director Suzi Merriam, Principal Planner Justin Meek, Assistant Police Chief Thomas Sims, Recording Secretary Deborah Muniz, Administrative Assistant II Maria Elena Ortiz, and City Interpreter Carlos Landaverry.

2. PLEDGE OF ALLEGIANCE

Chair Veitch-Olson led the Pledge of Allegiance.

3. PRESENTATIONS & ORAL COMMUNICATIONS

Drew Rogers, Watsonville resident, inquired about adding bicycle parking at the City Plaza.

4. REPORTS TO PLANNING COMMISSION

A. OVERVIEW OF HOTEL PROJECT AT 1 WESTERN DRIVE (PP2015 & PP2017-335)

1) Project History and Status

Principal Planner Justin Meek gave a brief presentation regarding the approved hotel project at 1 Western Drive.

2) Public Comment

None

3) Planning Commission Questions

Commissioner Jones thanked staff for the information regarding this project, as it answered questions raised at the November meeting.

5. CONSENT AGENDA

A. MOTION APPROVING MINUTES FOR NOVEMBER 5, 2019 MEETING

MOTION: It was moved by Chair Veitch-Olson, seconded by Commissioner Kammer, and carried by the following vote to approve the Consent Agenda:

AYES:	COMMISSIONERS:	Kammer, Rodriguez, Sarmiento, Jones, Veitch-Olson
NOES:	COMMISSIONERS:	None
ABSENT:	COMMISSIONERS:	Acosta, Tavarez

6. PUBLIC HEARING

A. AN APPLICATION FOR A SPECIAL USE PERMIT WITH DESIGN REVIEW AND ENVIRONMENTAL REVIEW (PP2018-248) TO ALLOW THE CONSTRUCTION OF THREE ONE-STORY COMMERCIAL BUILDINGS TOTALING 20,000± SQUARE-FEET AND INCLUDING TWO DRIVE-THROUGH FACILITIES LOCATED AT 975-1075 MAIN STREET (APN 018-261-14 & 018-261-29), FILED BY ROD FERMIN WITH BOOS DEVELOPMENT GROUP, INC., APPLICANT, ON BEHALF OF 975 MAIN STREET ASSOCIATES LLC, PROPERTY OWNER

1) Staff Report

Staff Report was given by Principal Planner Justin Meek. Environmental Study overview was given by Steve Noack, Principal, Placeworks Inc.

2) Planning Commission Clarifying & Technical Questions

None

3) Applicant Presentation

Robert Karn, Robert A. Karn & Associates, Inc., spoke on behalf of the applicant, Boos Development Group, Inc.

4) Planning Commission Clarifying & Technical Questions

In answering Commissioner Jones' question regarding the study on the number of daily trips at the intersection of Main Street and Auto Center Drive, Principal Noack stated that it was analyzed, and that he would get back to him later in the meeting with more information.

In answering Commissioner Jones inquiry regarding the addition of a housing component to the project, Mr. Karn stated that to his knowledge, because the project is located in the Thoroughfare Commercial Zoning District, residential housing is not permitted.

In answering Commissioner Sarmiento's inquiry regarding zoning, Director Merriam clarified that the Thoroughfare Commercial zone is principally permitted for commercial uses; therefore, any multi-family residential housing would require a Special Use Permit, which the applicant is not seeking at the moment.

Commissioner Sarmiento expressed concern about the addition of another drive-thru facility in the area, especially when a Starbucks drive-thru was recently approved down the street.

Director Merriam acknowledged Commissioner Sarmiento's concerns, and explained that staff has not been given further direction by City Council regarding drive-thrus; although it is something they can look into in the near future.

Mr. Karn added that their tenants require the drive-thru component to be successful and that the project itself is in accordance with the General Plan and zoning guidelines set forth by the City.

Principal Planner Meek answered Commissioner Kammer's questions in regards to the zoning designation surrounding the property, the project's potential to deter homeless encampments, pedestrian entrances, and pedestrian and bicycle circulation within the project.

Commissioner Kammer asked if the applicant would consider making modifications to the layout of the project, such as moving the bicycle rack area closer to the entrance of the property, as opposed to the back.

Mr. Karn stated they could do that.

In answering Commissioner Kammer's inquiry regarding the drive-thru component, Mr. Karn talked about their business model and the desire to attract well-known tenants, who require the drive-thru component to cater to its customers.

Both Principal Planner Meek and Mr. Karn answered questions from Commissioner Jones regarding the pedestrian paths and signals.

Commissioner Kammer encouraged the applicant to work with Caltrans to install a pedestrian signal button with leading pedestrian phase, over the driveway that crosses Auto Center Drive to make it safer for pedestrians.

Mr. Karn stated that they will add that to their list.

Both Principal Noack and Mr. Karn answered Commissioner Jones' earlier inquiry, and found that based on the traffic study there would be a net decrease of daily trips at the intersection of Auto Center Drive and Main Street.

In answering Chair Veitch-Olson's question regarding the addition of EV charging stations, Principal Planner Meek stated that they currently not reflected in the plans, but in order to meet building code requirements, parking spaces will be designated at the building permit stage.

Commissioner Rodriguez expressed concern regarding potential vehicle congestion spilling onto Main Street, at the points of ingress and egress.

Mr. Karn acknowledged Commissioner Rodriguez' concerns, but mentioned that the traffic study was reviewed and approved by Caltrans, therefore will not be making any modifications to the ingress or egress points of the property.

Commissioner Sarmiento echoed Commissioner Rodriguez' concerns and would like the area to be looked at to make modifications and make it safer for pedestrians.

5) Public Hearing

Chair Veitch-Olson opened the public hearing.

Mayor Pre-Tempore Rebecca Garcia expressed support for the redevelopment of the property, but spoke against the project due to the drive-thru component and environmental impact created by emissions from idle vehicles. She expressed her desire for less drive-thrus and asks that when voting, the Planning Commission take the residents' health into account.

Gina Cole, 756 Hill Avenue, spoke against the project and listed her reasons for doing so.

Nancy Faulstich, 114 Lapis Drive, Regeneración Pajaro Valley Climate Action Director, spoke in opposition to the project due to it being very "car dependent."

Drew Rogers, 42 Constanzo Street, also spoke in opposition to the project, primarily due to the addition of more drive-throughs, and suggested modifications to the project by adding parklets, grassy areas for children to play, and ample bicycle parking.

Mike Gonzalez, 511 Brewington Avenue, raised concern about the hazardous traffic congestion that could accumulate from the drive-thru closest to Main Street.

Hearing no further comment, Chair Veitch-Olson closed the public hearing.

6) Appropriate Motion(s)

Prior to the motion, City Attorney Smith reminded the Planning Commission that their decision-making should be based on whether the project has satisfied the conditions set forth by the City Council and current Municipal and Zoning Codes.

MAIN MOTION: It was moved by Commissioner Rodriguez, seconded by Commissioner Kammer to deny the following resolutions:

- a) **RESOLUTION NO. ____-19 (PC):
RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, ADOPTING THE MITIGATED NEGATIVE DECLARATION (PP2018-248) FOR THE COMMERCIAL REDEVELOPMENT PROJECT, CONSISTING OF THE CONSTRUCTION OF THREE ONE-STORY COMMERCIAL BUILDINGS TOTALING 20,000± SQUARE-FEET AND INCLUDING TWO DRIVE-THROUGH FACILITIES ON A 3.05± ACRE SITE LOCATED AT 975-1075 MAIN STREET, WATSONVILLE, CALIFORNIA (APNS 018-261-14 & -29)**
- b) **RESOLUTION NO. ____-19 (PC):
RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, APPROVING A SPECIAL USE PERMIT WITH DESIGN REVIEW AND ENVIRONMENTAL REVIEW (PP2018-248) TO ALLOW THE CONSTRUCTION OF THREE ONE-STORY COMMERCIAL BUILDINGS TOTALING 20,000± SQUARE FEET AND INCLUDING TWO DRIVE-THROUGH FACILITIES ON A 3.05± ACRE SITE LOCATED AT 975-1075 MAIN STREET, WATSONVILLE, CALIFORNIA (APNS 018-261-14 & -29)**

7) Deliberation

Commissioner Kammer reiterated her stance on the project based on the public's comments and discussion with the Commission as she feels the project is very car-centric.

Commissioner Jones thanked the developer for his project, but expressed his desire to see more innovative ideas with projects that could contribute to both economic development and housing.

Principal Planner Meek addressed Chair Veitch-Olson's inquiry regarding the areas on Main Street that are permitted for housing.

In answering Commissioner Jones' question regarding the addition of a housing component to the proposed project, Principal Planner Meek stated that a use permit would be required, as multi-family housing in that zoning district is not principally permitted.

Community Development Merriam added that a commercial/housing mixed-use would not be allowed under the current General Plan designation, as it would be too dense for this area.

City Attorney Smith and Director Merriam answered Commissioner Jones' question regarding the process for amending the General Plan.

Commissioner Sarmiento recommended that they move forward with the project, with the exception of the drive-thru component, and have City Council address that topic.

Director Merriam answered Commissioner Jones' inquiry regarding the process for making amendments to the General Plan regarding zoning.

8) Chair Calls for a Vote on Motion(s)

MAIN MOTION: The above motion carried by the following vote:

AYES:	COMMISSIONERS:	None
NOES:	COMMISSIONERS:	Kammer, Rodriguez, Sarmiento, Jones, Veitch-Olson
ABSENT:	COMMISSIONERS:	Acosta, Tavaréz

7. REPORT OF THE SECRETARY

Following the vote from the Planning Commission, Director Merriam announced that the decision is appealable to the City Council.

Director Merriam welcomed Administrative Assistant, Elena Ortiz, back from her leave.

Additionally, she announced that the Cannabis Ordinance item will be presented at the January Planning Commission Meeting.

8. ADJOURNMENT

Chair Veitch-Olson adjourned the meeting at 7:43 PM. The next Planning Commission meeting is scheduled for Tuesday, January 14, 2019, at 6:00 PM in the City Council Chambers.

Suzi Merriam, Secretary
Planning Commission

Jenni Veitch-Olson, Chair
Planning Commission

City of Watsonville
M E M O R A N D U M



DATE: December 13, 2019

TO: Planning Commission

FROM: Suzi Merriam, Community Development Director
Sarah Wikle, Assistant Planner

SUBJECT: Public Hearing to consider approval of a Special Use Permit with Environmental Review (PP2019-346) to establish an existing Type 20 ABC License under new ownership at an existing gas station with convenience store, 32 Enterprises Inc. located at 1180 Main Street (APN: 016-172-19) .

AGENDA ITEM: January 14, 2020

Planning Commission

RECOMMENDATION:

Staff recommends that the Planning Commission adopt a Resolution approving a Special Use Permit with Environmental Review to establish an existing Type 20 ABC License under new ownership for an existing gas station with convenience store, 32 Enterprises Inc. located at 1180 Main Street (APN: 016-172-19).

The recommendations are based on the attached findings and conditions of approval.

BASIC PROJECT DATA

APPLICATION NO.: PP2019-346

APN: 016-172-19

LOCATION: 1180 Main Street

LOT SIZE: 11,979± square feet

PROJECT DESCRIPTION: Special Use Permit with Environmental Review to establish an existing Type 20 ABC License under new ownership for an existing gas station with convenience store, 32 Enterprises Inc. located at 1180 Main Street.

GENERAL PLAN: General Commercial (GC)

ZONING: Thoroughfare Commercial (CT)

SURROUNDING GENERAL PLAN/ZONING: General Commercial in the Thoroughfare Commercial (CT) Zoning District (east and west), Residential High Density in the Multiple Residential-High Density (RM-3) Zoning District (north) and Public/Quasi-Public in the Public Facilities (PF) Zoning District (south)

EXISTING USE: Commercial (gas station with convenience store)

PROPOSED USE: Commercial (gas station with convenience store)

SURROUNDING USES: Various commercial uses along Main Street; public park use across Main Street at Ramsey Park; residential along Pacific Boulevard to the north

FLOOD ZONE: N/A

CEQA REVIEW: The project qualifies for a Class 1 Categorical Exemption from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15301 of the CEQA Guidelines.

APPLICANT: 32 Enterprises, Inc. a corporation by Rahil Hussain, 1731 East Shadow Glen Drive, Fresno, CA 9370

PROPERTY OWNER: 7-Eleven, Inc., PO BOX 711, Dallas, TX 75221-0711

BACKGROUND

Original Permit Approval

On November 16, 1964, Planning Commission approved Use Permit 232 to establish a gasoline service station. The Use Permit was granted subject to Architectural Committee approval.

On November 24, 1964, the Architectural Committee approved DRC #1-86 with the following conditions:

- Hours of Operation 6 AM to 10 PM daily
- No trailer storage or rentals
- No banners, flags, streamers, discs, etc. except for 30 day opening period
- Fence shall be painted and maintained – and “good neighbor design” because of exposure from both sides.
- No commercial parking and cars, trucks, or equipment
- No outside storage except for oil containers in dispenser rock at pump island or at building footing
- All improvements shall be properly maintained including landscaping, removal of debris, litter and repainting as necessary

On January 27, 1965 Douglas Oil Company submitted a building permit to construct a new automobile service station pursuant to Use Permit 232 and DRC #1-86.

On August 31, 1990, the Department of Alcohol and Beverage Control (ABC) issued Ultramar 3737 a Type 20 ABC License¹ for Off-Sale Beer and Wine Sales.

On September 10, 2002, the City Council of the City of Watsonville adopted Ordinance No. 1135-05 (CM), which set forth regulations concerning alcohol-related uses in Chapter 14-25 of

¹. Authorizes the sale of beer and wine for consumption off the premises where sold. Minors are allowed on the premises.

the Watsonville Municipal Code (WMC). New and existing establishments were now required to obtain a conditional use permit. The Ordinance details required documentation for an alcohol related uses application, permits required for various ABC licenses, and conditions of approval for alcohol related uses. WMC Section 14-25.050(b) detailed the process to permit existing alcohol related establishments in accordance with Chapter 14-25:

All alcohol related establishments operating as of October 10, 2002 [the effective date of, after the adoption of Ordinance No. 1135-02 (CM) creating Chapter 14-25 of the Watsonville Municipal Code], but without a valid Use Permit approved specifically for the purpose of alcohol sales, shall file an application to obtain a conditional use permit no later than January 1, 2003.

The City developed a No-Fee Special Use Permit, a one-page form to be approved without a public hearing for businesses not declared a “public nuisance” or on probationary status with ABC. WMC §14-25.050(b). To comply with this update, Ultramar 3737 obtained a No-Fee Special Use Permit (PP2003-104) on September 4, 2003. The following standard conditions of approval were applied to PP2003-104:

1. The ABC Conditions of Approval are incorporated by reference as Conditions of Approval of this Use Permit
2. No exterior pay phone(s) may be placed on the premises.
3. No interior pay phone(s) shall not allow incoming calls.
4. Security cameras shall be maintained in good working order, as directed by the Chief of Police.
5. No more than twenty percent (20%) of the total gross floor area shall be devoted to the sale of beer, wine, and/or liquor.
6. Malt beverage and fortified wine shall not be sold in containers with a volume exceeding sixteen (16) ounces.
7. The sale of individual containers of malt beverage or fortified wine is prohibited.
8. Alcoholic beverages may be displayed and sold from an ice tub or similar display mode only between the hours of 11:30am and 2:00pm.
9. Except as may be specifically allowed by this Code, no portion of the ground floor windows shall be obscured by paint, walls, window tinting, or other masking device. The subsection is intended to facilitate views of the interior from the exterior for public safety, and does not prohibit neon signs, minimal window borders, or other signs or decorations that are consistent with City sign regulations and do not obscure views.

ABC has documented two transfers of ownership of the Type 20 ABC License established under Ultramar, Inc.

- On June 18, 2007, the license was transferred from Ultramar, Inc. to CST California Stations Inc.
- The license was then transferred on October 11, 2016 to Sharma Management Inc.

On September 12, 2019, Sharma Management Inc transferred the license provisionally (subject to approval of this Special Use Permit) to 32 Enterprises Inc.

WMC Chapter 14-25 on Alcohol Related Uses and WMC Chapter 14-16 on District Regulations require a Special Use Permit each time a “substantial change in mode or

character operation” occurs with a Type 20 ABC License in the CT Zone. This includes a transfer of ownership of an existing ABC License. While these changes in ownership were not documented by City Staff through the Use Permit process, WMC Chapter 14-25, established through Ordinance 1135-02 (CM) and recently modified by Ordinance No. 1384-19 and No. 1385-19 (CM), a Special Use Permit is required for a transfer of ownership of an existing Type 20 ABC License located in the CT Zone.

Property Owner and Applicant

7-Eleven Inc. of Irving, Texas acquired the property by a deed recorded July 14, 2016. 32 Enterprises Inc. was incorporated in California on July 15, 2019. Rahil Hussain is its chief executive officer, secretary, chief financial officer and agent for service of process. The corporation’s business address is in Fresno. It is believed that 32 Enterprises Inc. leases the property from 7-Eleven, Inc. The existing gas station and convenience store will continue in operation as a 76 Gas Station.

Proposal

On August 28, 2019, business owner, 32 Enterprises, Inc. by Rahil Hussain, business owner, submitted a Special Use Permit application with Environmental Review (PP2019-346) to transfer an existing Type 20 ABC License to 32 Enterprise Inc.

The property is improved with an existing gas station with convenience store. No interior or exterior modifications are proposed.

PROCESS

Special Use Permit

The Special Use Permit with Environmental Review application to establish an existing off-sale beer and wine license under new ownership for an existing gas station with convenience store was submitted after the adoption of the recently modified Alcohol Ordinance (Ordinance No. 1384-19 and No.1385-19) and, therefore, will be reviewed based on the new Alcohol Ordinance provisions, as set forth in Chapter 14-25 of the Watsonville Municipal Code (WMC).

Various types of food retail places are allowed uses for land designated General Commercial in the City’s General Plan. A gas station with convenience store located in the CT Zoning District with no beer and wine sales is considered a principally permitted use. WMC § 14-16.1201. The establishment of a gas station and convenience store with beer and wine sales in the CT Zoning District, however, is subject to approval of Special Use Permit by Planning Commission. WMC § 14-16.1203(b).

A substantial change of mode or character of operation of such property requires approval by means of a conditional use permit. WMC §14-16.1203(c). WMC Section 14-16.1203(d) defines a “substantial change of mode or character of operation” shall include, but not be limited to the following: a transfer of ownership of any type of regulatory license required specifically for that use. Therefore, the following application is being processed as a Special Use Permit with Environmental Review.

A Special Use Permit application proposing alcohol sales requires submittal of the following documents (WMC § 14-25.011):

- a) Business plan to include a description of the alcohol sales establishment, its legal structure, its leadership team, experience, owners and employees, and describing operational aspects, including if there is to be live entertainment or dancing, and describing the circumstances for such;
- b) Description of location to include site plan and floor plan;
- c) Safety and Security Plan. Assessment of site security and training of personnel as well as safety of patrons;
- d) Neighborhood compatibility plan which will set forth and explain, at a minimum: measures to avoid sales to minors, for reporting crimes, and to avoid or mitigate intoxication, violence, public urination, solicitation, illegal drug use, drug dealing; and
- e) Community Benefits. Identify benefits to the community that the business will provide.

Once the applicant submits a complete application for an alcohol sales establishment, City Staff (consisting of the Police Chief, Fire Chief, Community Development Director, Finance Director, City Manager or their designees) shall review the application, and interview applicant(s) with sixty (60) days. WMC § 14-25.012. After the applicant is interviewed, successful applications shall receive a score of at least eighty (80%) percent of all available points on the rubric. If an application fails, a new application for an alcohol sales permit may be submitted after ninety (90) days of notice of rejected application. The Planning Commission shall consider each application for a Special Use Permit and shall approve or conditionally approve the permit upon making findings required in WMC Section 14-12.513. In addition, the following findings must be made for an alcohol related use pursuant to WMC Section 14-25.013:

- a) The proposed use received the minimum score necessary to issue a conditional use permit.
- b) The proposed use will not cause adverse noise, litter, crowd control, or parking impacts.
- c) The proposed use will not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code section 24200(f)(2).
- d) The proposed use will maintain all levels of service, including but not limited to the provision of security, maintenance of premises, LEAD training, and professional management as identified in the original application.

Planning Commission, demonstrating the application has conformed to all the required findings of the Watsonville Municipal Code, can condition the alcohol related use with minimum operational standards, pursuant to WMC Section 14-25.020.

Environmental Review

The California Environmental Quality Act requires local and state governments to consider the potential environmental effects of a project before making a decision on it. CEQA's purpose is to disclose any potential impacts of a project and suggest methods to minimize identified impacts. Certain categories of projects, however, have been identified that do not have a

significant effect on the environment, and are considered categorically exempt from the requirement for the preparation of environmental documents. State CEQA Guidelines § 15300.

STANDARD OF REVIEW & APPEAL PROCESS

Whether a particular decision is adjudicative or legislative affects the requirements for findings to support the decision. Legislative decisions involve the adoption of broad policies applicable to many situations (for example, general plan and zoning amendments). Most legislative decisions need not be accompanied by findings, unless a state law or City ordinance requires them.

Adjudicative (or “quasi-judicial”) decisions on the other hand, are not policy decisions. Adjudicative/quasi-judicial decisions apply to previously adopted policies or standards to individual cases, such as a variance or conditional use permit application. Adjudicative/quasi-judicial decisions are based on evidence and must always be supported by findings.²

The decision before the Planning Commission—a Special Use Permit—is an adjudicative/quasi-judicial decision and requires findings, either for denial, or as recommended, for approval that is supported by substantial evidence. *Toigo v Town of Ross* (1998) 70 Cal App 4th 309

If the Planning Commission's decision is appealed, the City Council will consider whether the action taken by the Planning Commission was erroneously taken and may sustain, modify or overrule the action. In order for an official action to be overturned by an appeal, the City Council must find that the action taken by the Planning Commission was taken erroneously and was inconsistent with the intent of the Zoning District regulations that regulate the proposed action. WMC § 14-10.1106

A lawsuit is required to challenge a council's decision. A reviewing court will consider whether an adjudicative/quasi-judicial decision by the council was supported by adequate findings. Courts scrutinize adjudicative/quasi-judicial decisions closely. An action may be overturned if the city (1) exceeded its authority; (2) failed to provide a fair hearing; or (3) or made a decision not supported by substantial evidence (also called “a prejudicial abuse of discretion”).

Another important difference between legislative and adjudicative/quasi-judicial decisions is the substantial evidence standard: in weighing evidence of what happened at the council meeting, courts go beyond whether a decision was “reasonable” (the legislative standard). Court's reviewing adjudicative/quasi-judicial decisions look to make sure the decision is supported by substantial evidence. Denied applicants argue there is no substantial evidence to support the decision. Cities usually assert there is substantial evidence to support the decision and rely on (1) the written words in the staff findings, (2) the statements by those presenting at the hearing and (3) the words of the planning commission or council.

² Quasi-judicial decisions require the decision-making body to take evidence and use its judgment to make factual as well as legal determinations about whether a particular property or project meets the standards established by the land use ordinance.

DISCUSSION

Existing Site

The 0.27± acre subject site (APN 016-172-19) is developed with a 1,061± square foot single story convenience store with parking to on the side yard property lines. Towards the front of the property is a canopy that houses eight gasoline pumps. The subject property is fully paved with landscaping provided along each side yard property line and additional parking provided along Longview Drive. Access is from two driveways situated along Longview Drive. The first driveway measures approximately 26± feet and the second driveway measures approximately 28± feet. The adjoining and nearby adjacent parcels consists of a shopping center and multiple family residential development. Across the street of the subject site is Ramsay Park.



FIGURE 1 Aerial view of the project site and surrounding Area

Source: Google Earth, 2016

Floor Plan

The convenience store is 1061± square feet in size. To the right and left of the front entrance, there are snack shelves. Next to the novelty case are fountain drinks, tea, coffee, and an ice machine. The remaining sales floor area consists of a Frito Lays display, soda, candy/gum, savory snacks and meats, and energy drinks. The wall cooler has dairy, non-carbonated drinks, carbonated drinks and beer. Four of the nine coolers hold beer and wine. A storage

space is located adjacent to the cooler with a bathroom and office located behind the counter space. See figure 2 for the existing/proposed floor plan.

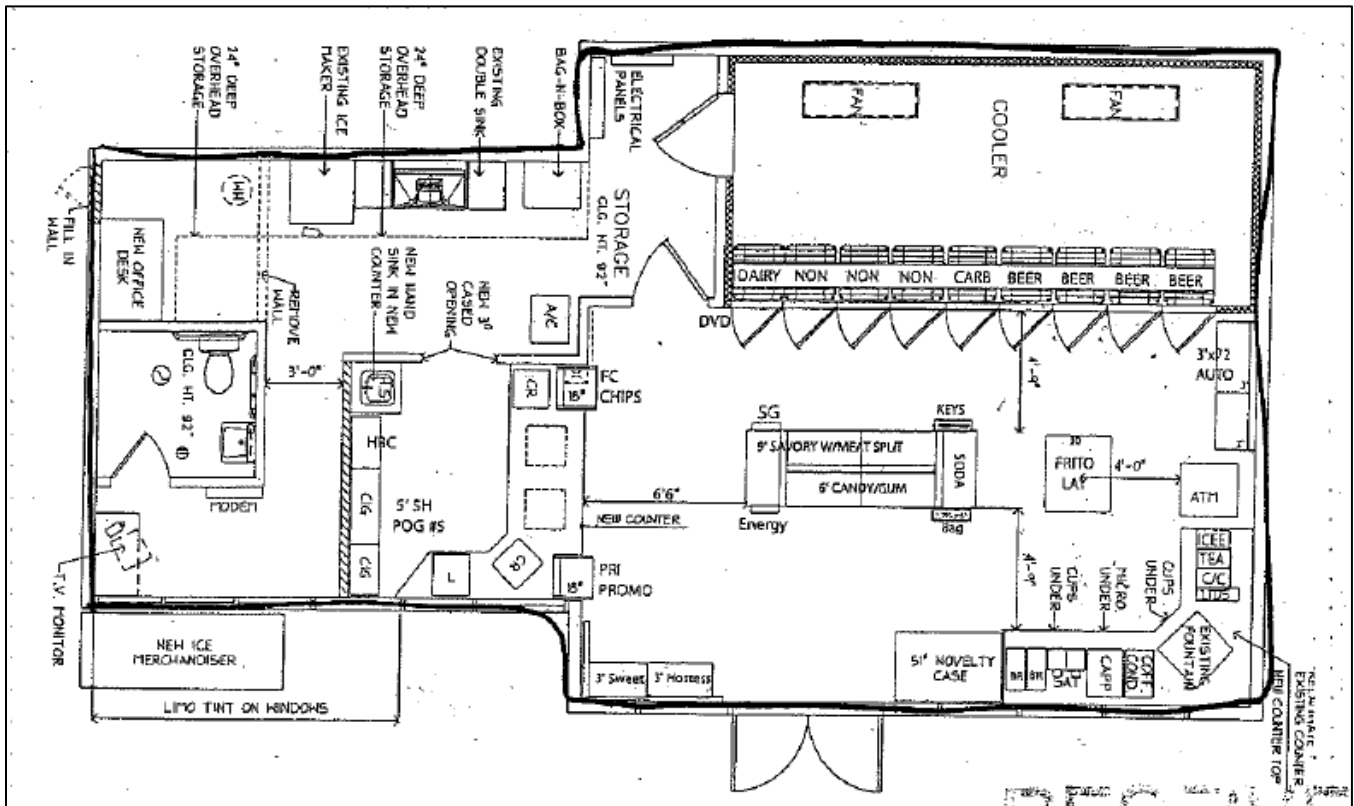


FIGURE 2 Existing and Proposed Floor Plan

Source: Department of Alcohol and Beverage Control, 2019

Hours of Operation

The proposed hours of operation for the convenience store are 6:00 AM to 12:00 AM daily, with gas pump sales available for credit card customers after the convenience store has closed. The hours have been reviewed by the Watsonville Police Department and were found to be acceptable.

Police Review

The Watsonville Police Department tracks all alcohol licenses in the City and the reported crime associated with these licenses. The Police Department also confirms that alcohol license holders are in compliance with ABC regulations.

Police Department Review indicates that the location is located within a high crime and over concentrated area of ABC licenses. Since this is an existing ABC license, the license is allowed to continue in operation.

Existing facilities with off sale beer and wine sales (Type 20 ABC license) are not subject to the discretionary powers³ of the Local Governing Body per WMC Section 14-16.1203(c). The proposed use has been conditioned with standard conditions for establishment of off sale beer and wine sales to ensure that it will be in conformity with applicable regulations and not have any negative impacts on the neighborhood.

Type 20 Alcohol Licenses

ABC issues various licenses for the sale of alcohol for different types of establishments. The Type 20 (Off-sale Beer and Wine – Eating Place) license allows the sale of beer and wine for consumption off the premises where sold. Minors may be allowed on the premises. No distilled spirits may be on the premises. Malt beverage and fortified wine shall not be sold in containers with a volume exceeding sixteen (16) ounces. The sale of individual containers of malt beverage or fortified wine is prohibited.

LEAD Training

A condition of approval requires all service staff, managers and owners attend Licensee Education on Alcohol and Drugs (LEAD) training within 90 days of approval of this Use Permit and/or employment at the alcohol sales establishment and every five years thereafter. WMC §14-25.021(a). The applicant is required to submit verification of LEAD training attendance to the Community Development Department.

Compliance with Alcohol Ordinance

WMC Chapter 14-25 regulates the location and operation of alcohol establishments within the City. This Chapter is intended to reduce alcohol-related environmental and social problems by regulating the use, operation, and location of new establishments selling alcoholic beverages in relation to one another and their proximity to sensitive uses and facilities customarily to be used by children and families.

In accordance with WMC Section 14-25.011(a), the applicant provided the following information regarding their Business Plan for 32 Enterprises Inc.:

32 Enterprises Inc. will be operating a 76 Gas Station with a convenience store. We will have two employees per shift with a manager and an assistant manager. Regional representative from SEI fuels will also be involved in our upkeep and maintenance of the business. 32 Enterprises Inc. employees are trained in multiple aspects in retail sales. Training includes sales of alcohol and tobacco, friendly and non-discriminatory service, and maintenance and upkeep of property. All employees are required to read and sign company rules and regulations.

Our hours of operation will be from 6 AM to 12 AM. Our pumps will be available for credit card customers after convenience store has closed.

³ Discretionary powers allow the exercise of judgment, deliberation or decision in approving or denying a particular activity by the decision-making authority. Non-discretionary powers merely allow the determination whether there is conformity with applicable ordinances or regulations (aka ministerial decision).

We hope to serve our customers with a variety of products such as fresh coffee, snacks, juice, water, groceries, health and beauty products. We want to make sure our location is a family friendly store. We will ensure a safe and clean environment in which every child, woman, or man will feel comfortable.

Also in accordance with WMC Section 14-25.011(d), the applicant provided the following information in their Neighborhood Compatibility Plan:

We must and have trained our staff to check ID's for every alcohol and tobacco sale. If an ID is not shown and scanned our POS (point of sale) system will not allow the transaction. We have an alcohol agreement form which all employees must sign.

If a crime happens, we do have numbers posted to call. If it is an emergency, we call 911. For non-emergency crimes we call Watsonville police. Our alarm company also has a panic button if a robbery were to occur. Lighting and extra staff with a policy to carry a minimum amount of money in tills should help deter robberies. We understand how important it is to work with law enforcement. That may start with sharing our surveillance videos for crimes.

32 Enterprises Inc. staff understand how important it is to keep a business environment clean. A clean attractive location will attract more customers. Every shift is instructed to change out all trash cans and to sweep the entire property and adjacent areas. Every opening and closing shift, staff are instructed to have a walk through around the entire property and make sure the property is picked up. Every week we will also have the property pressure washed.

Signs will be posted for customers to obey and respect the property and surroundings.

Additionally, the applicant provided the following information for their Safety and Security Plan required by WMC Section 14-25.011(c):

Surveillance cameras that cover the entire business area and adjacent property are vital for security. Security cameras help deter crimes and loitering. Signs that restrict loitering and open alcoholic beverages are beneficial to keep the area secure and safe. Proper lighting around the area is already existing.

76 gas station has plethora of lighting. There is existing LED lighting under the canopy and there is lighting around the building.

In accordance with WMC Sections 14-25.021 and 14-25.023, all operational standards applicable to restaurant gas station with convenience store with beer and wine sales are incorporated as Conditions of Approval.

Interview Scoring

The application was initially reviewed in November 2019 for completeness with City requirements. After the application was deemed complete, the applicant was interviewed by a

selection committee consisting of the Police Chief, Fire Chief, Community Development Director, Finance Director, and City Manager or their designees. The applicant was then interviewed and scored based on four main categories: location (150 points), business plan (275 points), neighborhood compatibility plan (375 points), and a safety and security plan (225 points). There are bonus points that applicants can receive for community benefits (50 points), labor and employment (25 points), and local enterprise/qualifications of principals (75 points). The total maximum possible score for an off-sale alcohol related use application is 1,025 points, excluding the bonus points. An applicant must receive a minimum score of 820 points (80%) to be approved.

On December 6, 2019, the business owner, Rahil Hussain, was interviewed by City Staff and received a score of 885. A summary related to the interview scoring follows each interview category can be found in Attachment 2.

Alcohol Related Findings

Below are the required alcohol-related use findings, pursuant to WMC Section 14-25.013, along with evidence to support them:

- (a) The proposed use received the minimum score necessary to issue a conditional use permit.**

The application received a passing score of 885 points, exceeding the minimum score of 820 points.

- (b) The proposed use will not cause adverse noise, litter, crowd control, or parking impacts.**

The subject site is developed with a single-story gas station with convenience store where parking exists along the side yard property lines. The applicant has indicated that signage will be posted both inside and outside the existing business, altering patrons to keep noise to a minimum while on the premises. The applicant has recently updated LED lighting in and around the business area and has installed new security cameras. As conditioned, the proposed use will not cause adverse noise, litter, crowd control, or parking impacts for the surrounding development.

- (c) The proposed use will not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code Section 24200(f)(2).**

The proposed use, as conditioned with minimum operation standards for alcohol related uses pursuant to WMC Sections 14-25.021, 14-25.023, and 14-25.030, will not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code Section 24200(f)(2).

- (d) The proposed use will maintain all levels of service, including but not limited to the provision of security, maintenance of premises, LEAD training, and professional management as identified in the original application.**

The proposed use, as conditioned with minimum operation standards for alcohol related uses, will maintain all levels of services, including but not limited to provisions of security cameras, maintenance of premises, LEAD training, and professional management as identified in the original application.

Parking

The subject site parking lot provides adequate parking spaces. No additional parking is required for a transfer in ownership of an existing Type 20 ABC License.

Environmental Review

The proposed project is eligible for a Class 1 Categorical Exemption per Section 15301 of the State CEQA Guidelines as it involves establishing an existing alcohol license (ABC Type 20) under new ownership and involves no expansion of the existing use. The project will not involve any interior or exterior modifications.

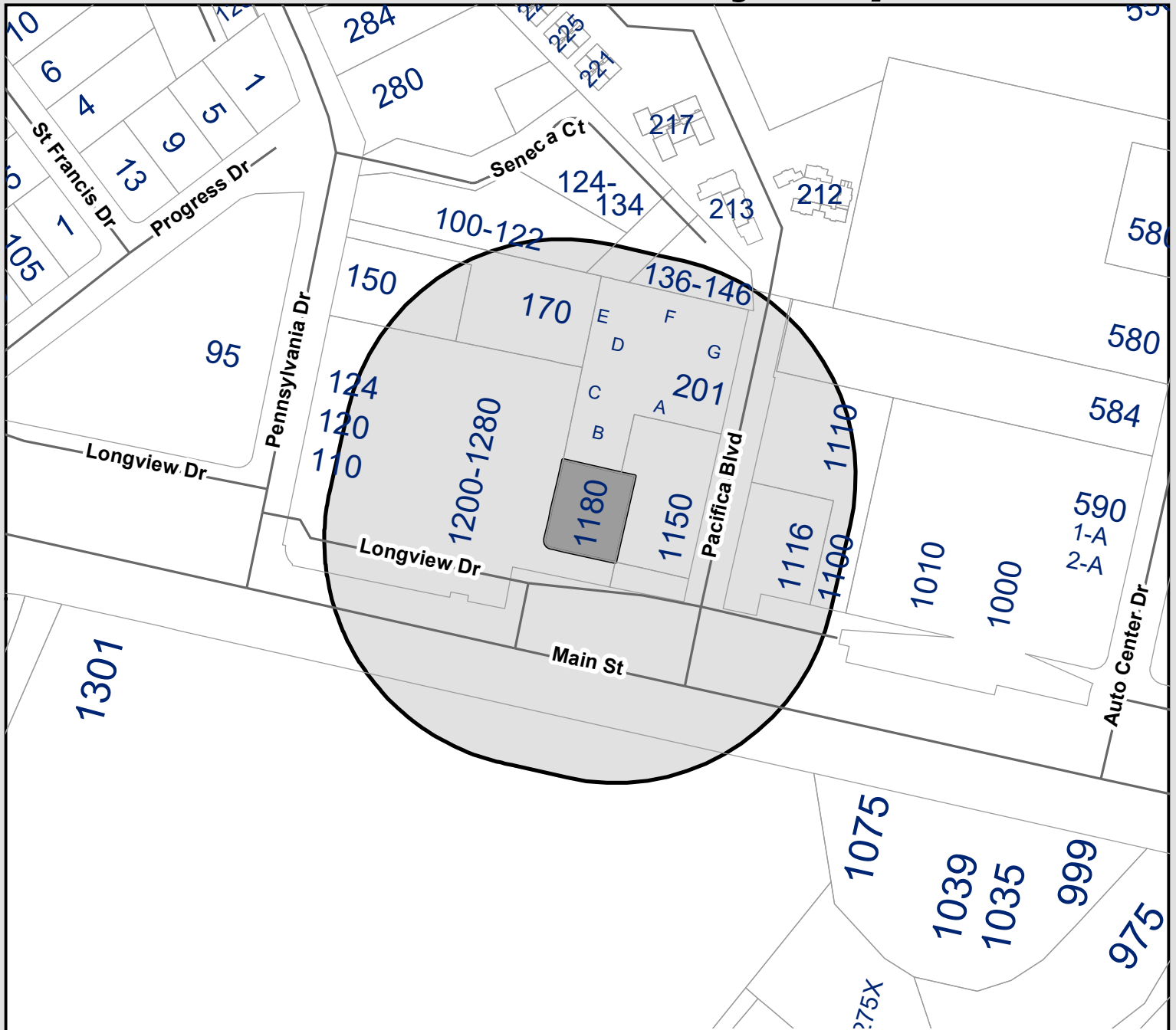
CONCLUSION

The proposed establishment to establish an existing gas station with convenience store to sell off-sale beer and wine (Type 20 ABC License) under new ownership located at 1180 Main Street meets all requirements of WMC Chapter 14-25 (Alcohol Related Uses) and Zoning district regulations, as conditioned. Therefore, staff recommends that the Planning Commission approved the proposed use.






ATTACHMENTS

1. Site and Vicinity Map
2. Plan Set (dated and received on 8/28/19)
3. Alcohol Related Uses – Interview Scoring Rubric (interview conducted 12/6/19)

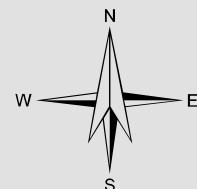
Site and Vicinity Map



Legend

- | | | |
|--|--|---|
|  Street |  Parcel |  300' Buffer Zone |
|  Watsonville City Limit |  Project Site | |

PROJECT: PP2019-346
APPLICANT: 32 Enterprises Inc.
APN#s: 016-172-19
LOCATION OF PROJECT: 1180 Main St



Prepared by Watsonville GIS Center 12/13/2019 (CDD1979).

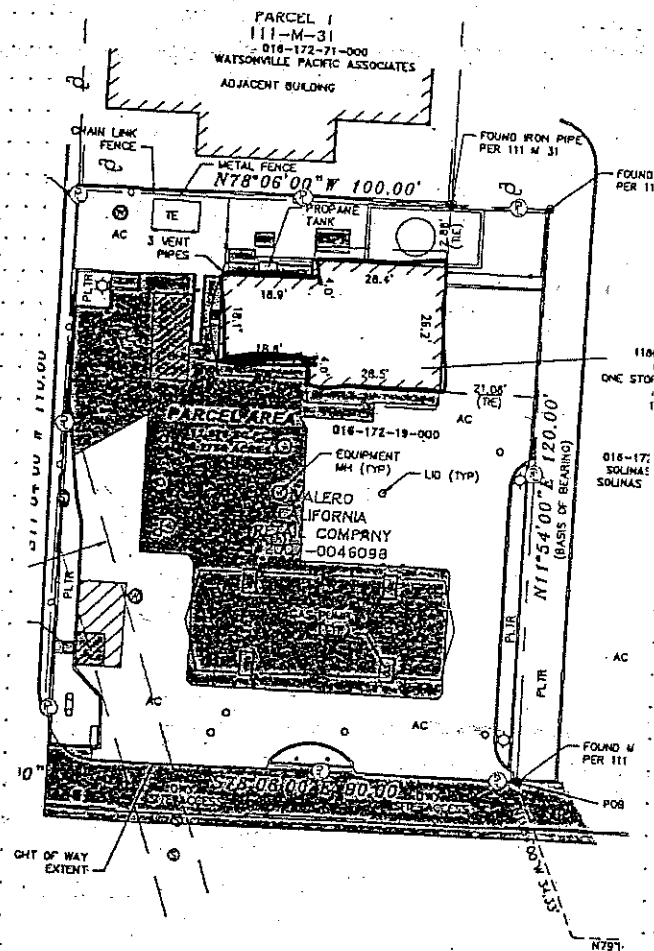
This Document is a graphic representation only of best available sources.
The City of Watsonville assumes no responsibility for any errors.

Attachment 1
page 1 of 1

SUPPLEMENTAL DIAGRAM**Instructions to Applicant:**

Draw a sketch of the area on which the licensed premises is or will be located. Show adjacent structures and nearest cross streets. *If this is an event for a daily license, catering authorization, event authorization or miscellaneous use, show the area where sales and consumption of alcoholic beverages will occur. Post a copy of this diagram with Daily License, Catering Authorization or Event Authorization where the event is held. Sales and consumption of alcoholic beverages must be confined to the area designated in the diagram and supervised to prevent violations of the Alcoholic Beverage Control Act.*

1. APPLICANT NAME (Last, first, middle)	2. LICENSE TYPE
32 Enterprises LLC	20
3. PREMISES ADDRESS (Street number and name, city, zip code)	4. NEAREST CROSS STREET
1180 Main St Watsonville CA 95076	Pacific Blvd.

DIAGRAM

STATE HIGHWAY 152
(MAIN STREET)

RECEIVED

AUG 28 2019

City of Watsonville
Community Development Dept

I have read the above instructions and I declare under penalty of perjury that the above diagram is true and correct.

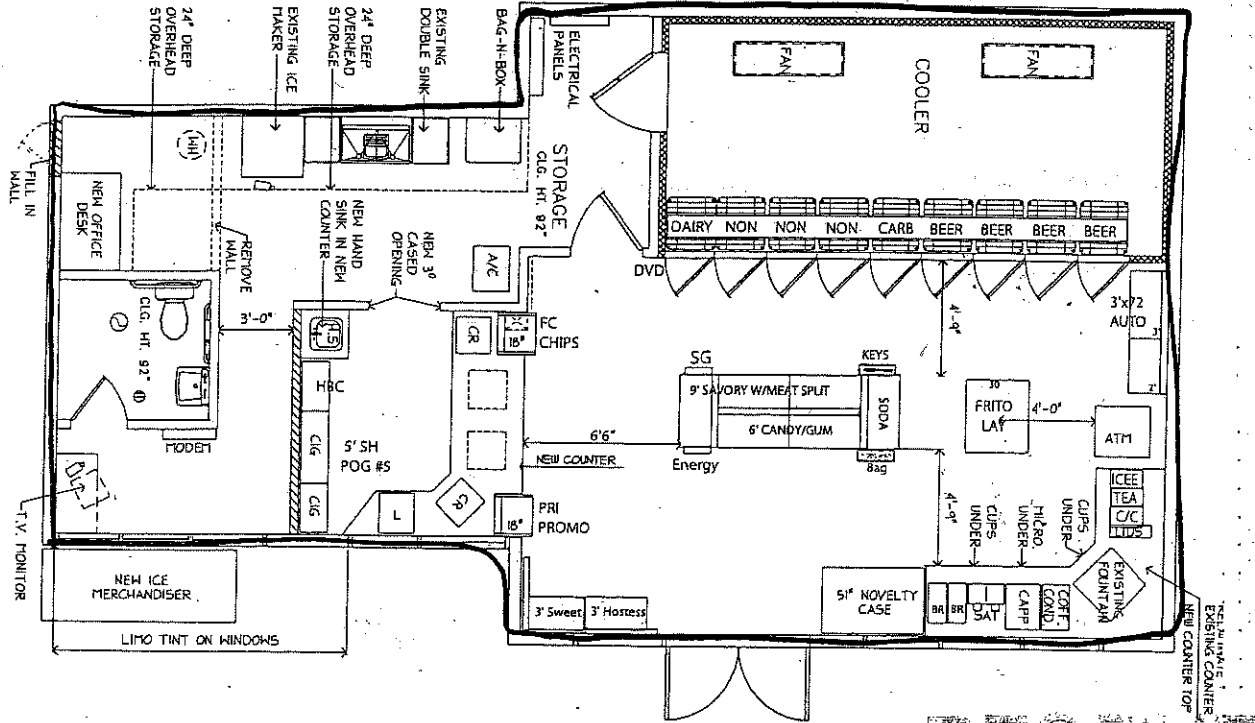
APPLICANT SIGNATURE	DATE SIGNED
<i>[Signature]</i>	8/22/19
FOR ABC USE ONLY	
CERTIFIED CORRECT (Signature)	INSPECTION DATE
PRINTED NAME	

LICENSED PREMISES DIAGRAM (RETAIL)

1. APPLICANT NAME (If individual: Last, first, middle) <u>37 Enterprises Inc</u>	2. LICENSE TYPE <u>20</u>
3. PREMISES ADDRESS (Street number and name, city, zip code) <u>1180 Main St Watsonville CA 95076</u>	4. NEAREST CROSS STREET <u>Pacific Blvd</u>

The diagram below is a true and correct description of the entrances, exits, interior walls and exterior boundaries of the premises to be licensed, including dimensions and identification of each room (i.e., "storeroom", "office", etc.).

DIAGRAM



It is hereby declared that the above-described premises and character of premises, as indicated on the reverse side, will not be changed in accordance with Rule 64.2 of the California Code of Regulations without first notifying and securing approval of the Department of Alcoholic Beverage Control. Substantial changes to the premises may require an application fee in accordance with Section 24072 of the Business and Professions Code. I declare under penalty of perjury that the foregoing is true and correct.

APPLICANT SIGNATURE (Only one signature required) <u>[Signature]</u>	DATE SIGNED <u>8/22/19</u>
FOR ABC USE ONLY	
CERTIFIED CORRECT (Signature)	INSPECTION DATE
PRINTED NAME	

Attachment 1

LOCATION

Score	Max Score	Questions	Answers
25	25	Detailed description of proposed location.	The applicant provided a detailed description of the proposed location.
0	25	List of surrounding uses within 100 feet.	A list of surrounding uses was not provided or discussed.
25	50	No existing sensitive uses within 300 feet.	1180 Main Street is within 300 feet of Ramsay Park. 1597 Freedom Boulevard has no sensitive uses within 300 feet.
15	25	Is the business located in a census tract with high crime per ABC regulations? (points earned if no)	1180 Main Street is also within a high crime area. 1597 Freedom Boulevard is not located within a high crime area.
0	25	Is the business located in a census tract that is over concentrated per ABC regulations? (points earned if answer is no)	Both locations are located in an over-concentrated area.
65	150	TOTAL	

BUSINESS PLAN

Score	Max Score	Questions	Answers
75	75	A detailed description of daily operations (staffing plan, menu, staff training and procedures).	Applicant provided a description of daily operations.
50	50	Proposed operating hours (Does it comply with standard hours of operation per Ordinance?)	The proposed operating hours of the convenience store are 6 AM to 12 AM. These hours comply with the standards of WMC Chapter 14-25.
75	75	A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs.	A detailed budget was provided in the Alcohol Related Uses Application.
0	25	Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, letters of credit or other equivalent assets.	No proof of capitalization was provided.
50	50	Three professional letters of reference (1- Character and 2- Business experience)	Three professional letters of reference were provided.
250	275	TOTAL	

NEIGHBORHOOD COMPATIBILITY PLAN

Score	Max Score	Description	Answers
200	200	<p>Management plan for interior and exterior areas, both public and private to prevent nuisances:</p> <ul style="list-style-type: none"> Noise control measures for uses with outdoor areas Sufficient signage Sufficient lighting for safety Clear measures to avoid sales to minors Measures for reporting crime Litter control measures 	Neighborhood compatibility plan addressed the following: hiring locals first, LED lighting, staff protocol for checking IDs, safety protocol for reporting crime, litter control measures, signage and security camera plan including coverage of entire business and adjacent property.
50	50	Procedures to monitor areas adjacent to business to include litter clean up on a regular basis	
40	50	Signage posted near exit doors alerting patrons to any residential neighbors	Applicant will post signage alerting patrons to residential neighbors.
50	50	Procedures to prevent nuisances, loitering in parking lot, and any other requirements to prevent conflicts with adjacent residences/businesses.	
0	25	Bike racks provided	No bike racks are provided on site.
340	375	TOTAL	

SAFETY AND SECURITY PLAN

Score	Max Score	Description	Answers
80	100	<p>Does business have well thought out security plan?</p> <ul style="list-style-type: none"> • Security camera plan detailing location and retention schedule of footage • Lighting schedule detailing appropriate lighting inside and outside of business. Lighting does not create spillover onto adjacent properties. • Window coverage – up to 25 percent of windows can be covered. Plans indicate that windows will allow adequate visibility. 	<p>Applicant discusses installing security cameras that will cover entire business area and adjacent properties. Lighting is existing under canopy and surrounding building. Window coverage was not addressed. Applicant also provided procedures for handling a robbery, which included cashiers holding a minimum amount of money in tills.</p>
0	25	Plans indicate maximum occupancy of the facility	Maximum occupancy was not included on the plans.
50	50	Site and floor plans showing existing floor plan and a proposed floor plan, if changes are to be made.	Site and Floor plan were provided.
50	50	Planned LEAD training of owners, managers, and staff.	Applicant indicated that all staff will obtain LEAD training and verification will be sent to City Staff once completed.
180	225	TOTAL	

COMMUNITY BENEFITS (Bonus Points)

Score	Max Score	Questions	Answers
0	25	A description of how the facility will benefit the community.	No description provided.
0	25	Community events and/or entertainment open to all ages.	No description provided.
0	50	TOTAL	

LABOR AND EMPLOYMENT (Bonus Points)

Score	Max Score	Questions	Answers
25	25	Local hiring policy	Applicant indicated that employees will live in Watsonville.
25	25	TOTAL	

LOCAL ENTERPRISE/QUALIFICATIONS OF PRINCIPALS (Bonus Points)

Score	Max Score	Questions	Answers
0	25	Business owner or main partners live within City of Watsonville.	Business owner and main business partners do not live within the City of Watsonville.
0	25	Business owner or main partners live within Santa Cruz County.	Business owner and main business partners do not live within Santa Cruz County.
0	25	Business owner or main partners have previously owned a similar alcohol-serving business in good standing.	Business owner operations 13 other locations that have either Type 20 or 21 ABC licenses.
0	75	TOTAL	

RESOLUTION NO. _____ - 20 (PC)

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, APPROVING A SPECIAL USE PERMIT WITH ENVIRONMENTAL REVIEW (PP2019-346) TO ALLOW THE ESTABLISHMENT OF AN OFF-SALE BEER AND WINE LICENSE UNDER NEW OWNERSHIP FOR AN EXISTING GAS STATION WITH A 1061 SQUARE FOOT CONVENIENCE STORE (32 ENTERPRISES INC) LOCATED AT 1180 MAIN STREET, WATSONVILLE, CALIFORNIA (APN: 016-172-19)

**Project: Rahil Hussain for 32 Enterprises Inc.
APN: 016-172-19**

WHEREAS, on August 28, 2019, an application for a Special Use Permit (PP2019-346) to allow an existing gas station and 1061 square foot convenience store to transfer a Type 20 ABC License to sell beer, wine, and liquor for off-site consumption to new ownership at 1180 Main Street, Watsonville, California, was filed by Rahil Hussain, applicant, on behalf of 7-Eleven, Inc., property owner; and

WHEREAS, the project site is designated General Commercial on the General Plan Land Use Map and is within the Thoroughfare Commercial (CT) Zoning District; and

WHEREAS, pursuant to Sections 14-16.1203(b) of the Watsonville Municipal Code (WMC), a convenience store with beer and wine sales (DLU 541) is allowed conditionally in the CT Zoning District with issuance of a Special Use Permit; and

WHEREAS, the project qualifies for a Class 1 Categorical Exemption from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15301 of the CEQA Guidelines; and

WHEREAS, on August 31, 1990, the Department of Alcohol and Beverage Control (ABC) issued Ultramar 3737 a Type 20 ABC License for Off-Sale Beer and Wine Sales; and

WHEREAS, on September 10, 2002, the City of Watsonville enacted Watsonville Municipal Code (WMC) Chapter 14-25 on Alcohol Related Uses (Ordinance 1135-02-CM). The Ordinance details required documentation for an alcohol related uses application, permits required for various ABC licenses, and conditions of approval for alcohol related uses; and

WHEREAS, WMC Section 14-25.050(b) provides the process to permit existing alcohol related establishments in accordance with Chapter 14-25, as follows: all alcohol related establishments operating as of October 10, 2002 [the effective date of, after the adoption of Ordinance No. 1135-02 (CM) creating Chapter 14-25 of the Watsonville Municipal Code, but without a valid Use Permit approved specifically for the purpose of alcohol sales, shall file an application to obtain a conditional use permit no later than January 1, 2003; and

WHEREAS, the City developed a No-Fee Special Use Permit, a one-page form that was approved without a public hearing for businesses not declared a “public nuisance” or on probationary status with ABC. WMC §14-25.050(b). To comply with this update, Ultramar 3737 obtained a No-Fee Special Use Permit (PP2003-104) on September 4, 2003; and

WHEREAS, upon further review, ABC has documented two transfers of ownership of the Type 20 ABC License established under Ultramar, Inc. On June 18, 2007, the license was transferred from Ultramar, Inc. to CST California Stations Inc. The license was then transferred on October 11, 2016 to Sharma Management Inc. Sharma Management Inc. currently holds the Type 20 ABC License for 1180 Main Street, and

WHEREAS, WMC Chapter 14-25 on Alcohol Related Uses and WMC Chapter 14-16 on District Regulations require a Special Use Permit each time a “substantial change in mode or character operation” occurs with a Type 20 ABC License in the CT Zone. This

includes a transfer of ownership of an existing ABC License. While these changes in ownership were not documented by City Staff through the Use Permit process, WMC Chapter 14-25, established through Ordinance 1135-02 (CM) and recently modified by Ordinance No. 1384-19 and No. 1385-19 (CM), a Special Use Permit is required for a transfer of ownership of an existing Type 20 ABC License located in the CT Zone; and

WHEREAS, notice of time and place of the hearing to consider Special Use Permit with Environmental Review (PP2019-346) was given at the time and in the manner prescribed by the Zoning Ordinance of the City of Watsonville. The matter called for hearing evidence both oral and documentary introduced and received, and the matter submitted for decision; and

WHEREAS, the Planning Commission has considered all written and verbal evidence regarding this application at the public hearing and has made Findings, attached hereto and marked as Exhibit "A," in support of the Special Use Permit with Environmental Review (PP2019-346) to allow the establishment of an off-sale beer and wine license under new ownership for an existing gas station with a 1061± square foot convenience store located at 1180 Main Street, Watsonville (APN 016-172-19).

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Watsonville, California, as follows:

Good cause appearing, therefore, the Planning Commission of the City of Watsonville does hereby grant approval of Special Use Permit with Environmental Review (PP2019-346), attached hereto and marked as Exhibit "C," subject to the Conditions attached hereto and marked as Exhibit "B," to allow the establishment of an off-sale beer and wine license under new ownership for an existing gas station with a 1061± square foot convenience store located at 1180 Main Street, Watsonville (APN 016-172-19).

I HEREBY CERTIFY that the foregoing Resolution was introduced at a regular meeting of the Planning Commission of the City of Watsonville, California, held on the 14th day of January, 2020, by Commissioner_____, who moved its adoption, which motion being duly seconded by Commissioner_____, was upon roll call, carried and the resolution adopted by the following vote:

Ayes: Commissioners:

Noes: Commissioners:

Absent: Commissioners:

Suzi Merriam, Secretary
Planning Commission

Jenny Veitch-Olson, Chairperson
Planning Commission

Application No: PP2019-346

APN: 016-172-19

Applicant: 32 Enterprises Inc.

Hearing Date: January 14, 2020

SPECIAL USE PERMIT FINDINGS (WMC § 14-12.513)

The purpose of the Special Use Permit is to allow the establishment of a convenience store with beer and wine sales under new ownership, pursuant to WMC Sections 14-16.1203(b).

- 1. The proposed use at the specified location is consistent with the policies embodied in the adopted General Plan and the general purpose and intent of the applicable district regulations.**

Supportive Evidence

As gas stations with convenience stores are intended to serve a variety of retail and service needs of the community, they are an allowed use on land designated General Commercial in the City's General Plan. A gas station with convenience store with off sale beer and wine sales is allowed as a conditional use in the Thoroughfare Commercial (CT) Zoning District with the approval of a Special Use Permit. The requested Special Use Permit for the establishment of off sale beer and wine sales under new ownership at an existing gas station with convenience store has been conditioned to conform to all applicable requirements of Chapter 14-25 (Alcohol Related Uses) of Title 14 (Zoning) of the Watsonville Municipal Code (WMC).

- 2. The proposed use is compatible with and preserves the character and integrity of adjacent development and neighborhoods and includes improvements or modifications either on-site or within the public rights-of-way to mitigate development related adverse impacts such as traffic, noise, odors, visual nuisances, or other similar adverse effects to adjacent development and neighborhoods.**

Supportive Evidence

As stated previously, establishing an existing Type 20 ABC License under new ownership is allowed with approval of a Special Use Permit. Standard conditions have been placed on the gas station with convenience store with off sale beer and wine sales to ensure adverse impacts do not occur related to alcohol sales, in accordance with WMC Sections 14-25.021 and 14-25.023. These conditions ensure the gas station with convenience store will be compatible with the neighborhood and adjacent businesses.

- 3. The proposed use will not generate pedestrian or vehicular traffic which will be hazardous or conflict with the existing and anticipated traffic in the neighborhood.**

Supportive Evidence

The proposed project does not represent a change or intensification of use for the existing gas station with convenience store. The Special Use Permit to establish off sale beer and wine sales in an existing gas station with convenience store will not generate additional pedestrian or vehicular traffic that will be hazardous or conflicting with the existing and anticipated traffic in the neighborhood.

4. **The proposed use incorporates roadway improvements, traffic control devices or mechanisms, or access restrictions to control traffic flow or divert traffic as needed to reduce or eliminate development impacts on surrounding neighborhood streets.**

Supportive Evidence

No alterations to building layout or location are proposed as part of this Use Permit, and no additional traffic impacts are anticipated to occur as a result of establishing off sale beer and wine sales under new ownership at an existing gas station with convenience store. As such, no additional onsite or roadway improvements or modifications are required as part of this Use Permit.

5. **The proposed use incorporates features to minimize adverse effects, including visual impacts and noise, of the proposed special use on adjacent properties.**

Supportive Evidence

As stated previously, standard conditions have been placed on the gas station with convenience store with off sale beer and wine sales to ensure adverse impacts do not occur related to alcohol sales, in accordance with WMC Sections 14-25.021 and 14-25.023. These conditions ensure the gas station with convenience store will be compatible with the neighborhood and adjacent businesses.

Establishing an existing gas station with convenience store with a Type 20 ABC License under new ownership will not result in additional noise impacts.

6. **The proposed special use complies with all additional standards imposed on it by the particular provisions of this chapter and all other requirements of this title applicable to the proposed special use and uses within the applicable base zoning district.**

Supportive Evidence

As stated previously, the proposed use is required to comply with standard operational conditions for a gas station with convenience store with off sale beer and wine sales, which prohibits the individual sale of malt beverage or fortified wine nor allows malt beverages and fortified wine to be sold in containers with a volume exceeding sixteen (16) ounces. The proposed gas station with convenience store has been conditioned to require that all managers and servers attend LEAD training within 90 days of approval of this Use Permit and/or employment at the restaurant.

7. **The proposed special use will not be materially detrimental to the public health, safety, convenience and welfare, and will not result in material damage or prejudice to other property in the vicinity.**

Supportive Evidence

The existing gas station with convenience store with off sale beer and wine sales would continue to complement the existing commercial uses in the vicinity. As conditioned, the gas station with convenience store with off sale beer and wine sales will continue to be required to comply with all requirements of an establishment with off sale beer and wine sales. As conditioned, the establishment of an existing gas station with convenience store with off sale beer and wine sales under new ownership will not be detrimental to the public health, safety, convenience and welfare, and will not result in material damage or prejudice to other property in the vicinity.

In addition, the project site is within a developed area that is currently served by municipal services, including water, sewer, police and fire, and therefore would not cause serious a public health or safety problem to future patrons of the gas station with convenience store and/or other businesses in project site.

ALCOHOL-RELATED USE FINDINGS (WMC § 14-25.013)

1. **The proposed use received the minimum score necessary to issue a conditional use permit.**

Supportive Evidence

The application received a passing score of 885 points, exceeding the minimum score of 820 points.

2. **The proposed use will not cause adverse noise, litter, crowd control, or parking impacts.**

Supportive Evidence

The subject site is developed with a single-story gas station with convenience store where parking exists along the side yard property lines. The applicant has indicated that signage will be posted both inside and outside the existing business, altering patrons to keep noise to a minimum while on the premises. The applicant has recently updated LED lighting in and around the business area and has installed new security cameras. As conditioned, the proposed use will not cause adverse noise, litter, crowd control, or parking impacts for the surrounding development.

3. **The proposed use will not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code Section 24200(f)(2).**

Supportive Evidence

The proposed use, as conditioned with minimum operation standards for alcohol related uses pursuant to WMC Sections 14-25.021, 14-25.023, and 14-25.030, will

not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code Section 24200(f)(2).

4. **The proposed use will maintain all levels of service, including but not limited to the provision of security, maintenance of premises, LEAD training, and professional management as identified in the original application.**

Supportive Evidence

The proposed use, as conditioned with minimum operation standards for alcohol related uses, will maintain all levels of services, including but not limited to provisions of security cameras, maintenance of premises, LEAD training, and professional management as identified in the original application.

Application No: PP2019-346
APNs: 016-172-19
Applicant: 32 Enterprises Inc.
Hearing Date: January 14, 2020

**SPECIAL USE PERMIT
CONDITIONS OF APPROVAL**

General Conditions:

1. **Approval.** This approval applies to the application submitted on August 28, 2019, by Rahil Hussain, and identified as "Special Use Permit" for the establishment of off sale beer and wine sales under new ownership at an existing gas station with convenience store, date stamped by the Community Development Department on August 28, 2019. (CDD-P)
2. **Conditional Approval Timeframe.** This Special Use Permit (PP2019-346) shall be null and void if not acted upon within **24 months** from the effective date of the approval thereof. Time extensions may be considered upon receipt of written request submitted no less than forty-five (45) days prior to expiration and in accordance with the provisions of Section 14-10.1201 of the Watsonville Municipal Code (WMC). (CDD-P)
3. **Modifications.** Modifications to the project or conditions imposed may be considered in accordance with WMC Section 14-10.1305. (CDD-P)
4. **Compliance.** The proposed use shall be in compliance with Use Permit Conditions of Approval, all local codes and ordinances, appropriate development standards, and current City policies. Any deviation will be grounds for review by the City and may possibly result in revocation of the Use Permit, pursuant to Part 13 of WMC Chapter 14-10. (CDD-P)
5. **Grounds for Review.** The project shall be in compliance with the conditions of approval, all local codes and ordinances, appropriate development standards, and current City policies. Any deviation will be grounds for review by the City and may possibly result in revocation of the Special Use Permit, pursuant to Part 13 of WMC Chapter 14-10, or other code enforcement actions, pursuant to WMC Chapter 14-14. (CDD-P)
6. **Appeal Period/Effective Date.** This Special Use Permit shall not be effective until **14 days** after approval by the decision-making body or following final action on any appeal. (CDD-P)

Ongoing Conditions:

7. **ABC Conditions.** Any and all conditions of the Department of Alcohol and Beverage Control (ABC) are incorporated by reference as conditions of approval for this Use Permit. (CDD-P)
8. **Neighborhood Compatibility Plan.** The applicant shall implement their Neighborhood Compatibility Plan to ensure the gas station with convenience store with beer and wine sales will not create objectionable conditions that constitute a nuisance and will be compatible with existing and potential uses within the general area. Specific measures include:
 - We must and have trained our staff to check ID's for every alcohol and tobacco sale. If an ID is not shown and scanned our POS system will not allow the transaction. We have an alcohol agreement form which all employees must sign.
 - If a crime happens, we do have numbers posted to call. If it is an emergency, we call 911. For non-emergency crimes we call Watsonville police. Our alarm company also has a panic button if a robbery were to occur. Lighting and extra staff with a policy to carry a minimum amount of money in tills should help deter robberies. We understand how important it is to work with law enforcement. That may start with sharing our surveillance videos for crimes.
 - 32 Enterprises Inc. staff understand how important it is to keep a business environment clean. A clean attractive location will attract more customers. Every shift is instructed to change out all trash cans and to sweep the entire property and adjacent areas. Every opening and closing shift, staff are instructed to have a walk through around the entire property and make sure the property is picked up. Every week we will also have the property pressure washed.
 - Signs will be posted for customers to obey and respect the property and surroundings. (CDD-P)
9. **Drive-through Service.** Drive-through service of alcohol is prohibited. (CDD-P, WPD)
10. **Exterior Pay Phones.** No exterior pay phones may be placed on the premises. (CDD-P, WPD)
11. **Interior Pay Phones.** Interior pay phones shall not allow incoming calls. (CDD-P, WPD)
12. **Hours of Operation.** Permitted hours of operation for the gas station with convenience store shall be 6:00 AM to 12:00 AM daily. (CDD-P, WPD)
13. **Premise Monitoring.** Business owner shall regularly police the areas under their control, including but not limited to: parking lots, restrooms, alleys, and sidewalks, to prevent the loitering of persons about the premises. (CDD-P, WPD)

14. **Window Obstructions.** Except as may be specifically allowed by the Municipal Code, no portion of the ground floor windows shall be obscured by paint, walls, window tinting, or other masking device. This requirement is intended to facilitate views of the interior from the exterior for public safety and does not prohibit neon signs, minimal window borders, or other signs or decorations that are consistent with the City's sign regulations and do not obscure views. (CDD-P)
15. **Minors.** The premises shall remain accessible to minors during all hours of operation. (CDD-P)
16. **Malt Beverage Container Sizes.** Malt beverage and fortified wine shall not be sold in containers with a volume exceeding sixteen (16) ounces. (CDD-P)
17. **Malt Beverage Sales.** The sale of individual containers of malt beverage or fortified wine is prohibited. (CDD-P)
18. **Trash Receptacles.** Permanent litter and trash receptacles shall be located at convenient locations inside and outside establishments, and operators of such establishments shall remove litter and debris on a daily basis. (CDD-P)
19. **Required Signs.** The following signs may be required to be prominently posted in a readily visible manner in English, Spanish, and the predominant language of the patrons:
 - "California State Law prohibits the sale of alcoholic beverages to persons under twenty-one (21) years of age."
 - A copy of these performance conditions, any applicable ABC or City operating conditions, and any training requirements shall be posted in at least one (1) prominent place within the interior of the establishment where it will be readily visible and legible to the employees and patrons of the establishment.
20. **Employee Age.** Employees shall be at least twenty-one (21) years of age to sell and serve alcohol. (CDD-P, WPD)
21. **Lingering Patrons.** The business shall be required to clear the storefront and the adjacent parking lots in the immediate vicinity of the establishment of any lingering patrons immediately after closing. (CDD-P, WPD)
22. **Conditions of Approval Display.** A copy of the Use Permit Conditions of Approval shall be kept conspicuously on the premises of the business and made available to any member of the public or enforcement officer wishing to review them. (CDD-P)
23. **LEAD Training.** All owners, managers and service staff shall follow responsible beverage service (RBS) practices and procedures. Owner(s), manager(s) and service staff shall attend ABC's Licensee Education on Alcohol and Drugs (LEAD) training within ninety (90) days from the date of approval of this Use Permit and/or employment at the restaurant, and each five (5) years thereafter. Upon completion

of the training, the applicant shall submit a card verifying full attendance of the three and one-half (3.5) hour training to the Community Development Department. Failure to attend and submit verification of attendance to the Planning Commission. (CDD-P, WPD)

24. **Permit Term.** The Use Permit shall be valid for **20 years** after the effective date of this Use Permit unless there is a change of ownership or other substantial change in mode or character of operation, at which time a new Use Permit shall be required. (CDD-P)
25. **Accessibility.** The project shall conform with accessibility requirements to buildings and facilities by individuals with disabilities under the American Disabilities Act. (CDD-B)

Future Sign Permit:

26. **Sign Permit.** Any new or proposed changes in the exterior signage for the premises shall require Sign and Building Permits through the Community Development Department. (CDD-P-B)

Indemnity Provision:

27. **Indemnity Provision.** The applicant shall sign a defense and indemnity contract agreeing to defend, indemnify, and hold harmless the City of Watsonville, its elected and appointed officials, officers, employees, and agents arising out Special Use Permit with Environmental Review (PP2019-346), including but not limited to any approval or condition of approval of the City of Watsonville Planning Commission or City Council. The City shall promptly notify the applicant of any claim, action, or proceeding concerning this permit and the applicant and City shall cooperate fully in the defense of the matter. The City reserves the right to select counsel in the defense of the matter. (CA)

Key to Department Responsibility

CDD-B	–	Community Development Department (Building)
CDD-P	–	Community Development Department (Planning)
CDD-E	–	Community Development Department (Engineering)
PW	–	Public Works Department
WFD	–	Watsonville Fire Department
CA	–	City Attorney

**CITY OF WATSONVILLE
PLANNING COMMISSION**

EXHIBIT C

Application No: PP2019-346
APNs: 016-172-19
Applicant: 32 Enterprises Inc.
Hearing Date: January 14, 2020

Applicant: Rahil Hussain, 32 Enterprises Inc.
Address: 1180 Main Street, Watsonville, CA 95076
Project: Special Use Permit
Location: 1180 Main Street, Watsonville, CA 95076
Purpose: Allow existing gas station with a 1061± square foot convenience store to establish off-sale beer and wine license under new ownership
Property Owner: 7-Eleven Inc.
Address: PO BOX 711, Dallas, TX 75221-0711

A Special Use Permit (PP2019-346) to allow the establishment of an off-sale beer and wine license under new ownership for an existing gas station with a 1061± square foot convenience store located at 1180 Main Street, Watsonville (APN 016-172-19), was reviewed by the Planning Commission at a public hearing on January 14, 2020, and was conditionally approved by adoption of Planning Commission Resolution No. _____ (PC) together with findings and conditions of approval attached hereto and made a part of this permit.

CITY OF WATSONVILLE
Planning Commission

Suzi Merriam
Community Development Director

City of Watsonville MEMORANDUM



DATE: December 13, 2019

TO: Planning Commission

FROM: Suzi Merriam, Community Development Director
Sarah Wikle, Assistant Planner

SUBJECT: Public Hearing to consider approval of a Special Use Permit with Environmental Review (PP2019-347) to establish an existing Type 20 ABC License under new ownership at an existing gas station with convenience store, 32 Enterprises Inc., located at 1597 Freedom Boulevard (APN: 016-501-18).

AGENDA ITEM: January 14, 2020 **Planning Commission**

RECOMMENDATION

Staff recommends that Planning Commission conditionally approve the Special Use Permit with Environmental Review to establish an existing Type 20 ABC License under new ownership for an existing gas station with convenience store, 32 Enterprises Inc. located at 1597 Freedom Boulevard.

BASIC PROJECT DATA

APPLICATION NO. PP2019-347 **APN:** 016-501-18
LOCATION: 1597 Freedom Boulevard **LOT SIZE:** 13,982± square feet

SCOPE OF PROJECT: Special Use Permit with Environmental Review to establish an existing Type 20 ABC License under new ownership for an existing gas station with convenience store, 32 Enterprises Inc. located at 1597 Freedom Boulevard.

GENERAL PLAN: General Commercial (CG)
ZONING: Thoroughfare Commercial (CT)

SURROUNDING GENERAL PLAN/ZONING: General Commercial in the Thoroughfare Commercial (CT) and Neighborhood Shopping Center (CNS) Zoning District (west and north), Residential Low Density in the Single Family Residential (R-1) Zoning District (south) and Public/Quasi-Public in the Public Facilities (PF) Zoning District (east), and

EXISTING USE: Commercial (gas station with convenience store)

PROPOSED USE: Commercial (gas station with convenience store)

SURROUNDING USES: Various commercial uses along Freedom Boulevard; residential along Sydney Avenue to the west

FLOOD ZONE: N/A

CEQA REVIEW: The project qualifies for a Class 1 Categorical Exemption from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15301 of the CEQA Guidelines.

APPLICANT: 32 Enterprises, Inc. a corporation by Rahil Hussain, 1731 East Shadow Glen Drive, Fresno, CA 9370

PROPERTY OWNER: 7-Eleven, Inc., P.O. Box 711 Dallas, TX 75211-0711

BACKGROUND

Original Permit Approval

The gas station with convenience store at 1597 Freedom Boulevard has been in operation without interruption since 1975.

On May 1, 1976, the Department of Alcohol and Beverage Control (ABC) issued Ultramar 3400 a Type 20 ABC License¹.

On September 10, 2002, the City Council of the City of Watsonville adopted Ordinance No. 1135-05 (CM), which set forth regulations concerning alcohol-related uses in Chapter 14-25 of the Watsonville Municipal Code (WMC). New and existing establishments with alcohol sales were now required to obtain a conditional use permit. The Ordinance details required documentation for an alcohol related uses application, permits required for various ABC licenses, and conditions of approval for alcohol related uses. WMC Section 14-25.050(b) in the detailed the process to permit existing alcohol related establishments in accordance with Chapter 14-25, as follows:

All alcohol related establishments operating as of October 10, 2002 [the effective date of, after the adoption of Ordinance No. 1135-02 (CM) creating Chapter 14-25 of the Watsonville Municipal Code], but without a valid Use Permit approved specifically for the purpose of alcohol sales, shall file an application to obtain a conditional use permit no later than January 1, 2003.

The City developed a No-Fee Special Use Permit, a one-page form to be approved without a public hearing for businesses not declared a “public nuisance” or on probationary status with ABC. WMC §14-25.050(b). To comply with this update, Ultramar 3400 obtained a No-Fee Special Use Permit (PP2003-103) on September 5, 2003. The following standard conditions of approval were applied to PP2003-103:

1. Authorizes the sale of beer and wine for consumption off the premises where sold. Minors are allowed on the premises.

1. The ABC Conditions of Approval are incorporated by reference as Conditions of Approval of this Use Permit
2. No exterior pay phone(s) may be placed on the premises.
3. No interior pay phone(s) shall not allow incoming calls.
4. Security cameras shall be maintained in good working order, as directed by the Chief of Police.
5. No more than twenty percent (20%) of the total gross floor area shall be devoted to the sale of beer, wine, and/or liquor.
6. Malt beverage and fortified wine shall not be sold in containers with a volume exceeding sixteen (16) ounces.
7. The sale of individual containers of malt beverage or fortified wine is prohibited.
8. Alcoholic beverages may be displayed and sold from an ice tub or similar display mode only between the hours of 11:30AM and 2:00PM.
9. Except as may be specifically allowed by this Code, no portion of the ground floor windows shall be obscured by paint, walls, window tinting, or other masking device. The subsection is intended to facilitate views of the interior from the exterior for public safety, and does not prohibit neon signs, minimal window borders, or other signs or decorations that are consistent with City sign regulations and do not obscure views.

ABC has documented the following transfers of ownership of the Type 20 ABC License established under Ultramar, Inc.

- On June 18, 2007, the license was transferred from Ultramar, Inc. to CST California Stations Inc.
- The license was then transferred on October 14, 2016 to Sharma Management Inc.
- On October 29, 2019, Sharma Management Inc transferred the license provisionally (subject to approval of this Special Use Permit) to 32 Enterprises Inc.

WMC Chapter 14-25 on Alcohol Related Uses and Chapter 14-16 on District Regulations require a Special Use Permit each time a “substantial change in mode or character of operation” occurs with a Type 20 ABC License in the CT Zone. This includes a transfer of ownership of an existing ABC License. While these changes in ownership were not documented by City Staff through the Use Permit process, WMC Chapter 14-25, established through Ordinance 1135-02 (CM) and recently modified by Ordinance No. 1384-19 and No. 1385-19 (CM), a Special Use Permit is required for a transfer of ownership of an existing Type 20 ABC License located in the CT Zone.

Property Owner and Applicant

7-Eleven Inc. of Irving, Texas acquired the property by a deed recorded July 14, 2016. 32 Enterprises Inc. was incorporated in California on July 15, 2019. Rahil Hussain is its chief executive officer, secretary, chief financial officer and agent for service of process. The corporation’s business address is in Fresno.

It is believed that 32 Enterprises Inc. leases the property from 7-Eleven, Inc. The existing gas station and convenience store will continue in operation as Valero Corner Store.

Proposal

On August 28, 2019, Rahil Hussain, business owner, submitted a Special Use Permit application with Environmental Review (PP2019-347) to transfer the existing Type 20 ABC License to 32 Enterprises, Inc.

The property is improved with a gas station with convenience store. No interior or exterior modifications are proposed.

PROCESS

Special Use Permit

The Special Use Permit with Environmental Review application to establish an off-sale beer and wine license under new ownership for an existing gas station with convenience store was submitted after the adoption of the recently modified Alcohol Ordinance (Ordinance No. 1384-19 and No.1385-19) and, therefore, will be reviewed based on the new Alcohol Ordinance provisions, as set forth in Chapter 14-25 of the Watsonville Municipal Code (WMC).

Various types of food retail places are allowed uses for land designated General Commercial in the City's General Plan. A gas station with convenience store located in the CT Zoning District with no beer and wine sales is considered a principally permitted use. WMC § 14-16.1201. The establishment of a gas station with convenience store with beer and wine sales in the CT Zoning District, however, is subject to approval of Special Use Permit by the Planning Commission. WMC § 14-16.1203(b).

A substantial change of mode or character of operation of requires approval by means of a conditional use permit. WMC §14-16.1203(c). WMC Section 14-16.1203(d) defines a "substantial change of mode or character of operation" shall include, but not be limited to the following: a transfer of ownership of any type of regulatory license required specifically for that use. Therefore, the following application is being processed as a Special Use Permit with Environmental Review.

A Special Use Permit application proposing alcohol sales requires submittal of the following documents (WMC § 14-25.011):

- a) Business plan to include a description of the alcohol sales establishment, its legal structure, its leadership team, experience, owners and employees, and describing operational aspects, including if there is to be live entertainment or dancing, and describing the circumstances for such.
- b) Description of location to include site plan and floor plan.
- c) Safety and Security Plan. Assessment of site security and training of personnel as well as safety of patrons.
- d) Neighborhood compatibility plan which will set forth and explain, at a minimum: measures to avoid sales to minors, for reporting crimes, and to avoid or mitigate intoxication, violence, public urination, solicitation, illegal drug use, drug dealing
- e) Community Benefits. Identify benefits to the community that the business will provide.

Once the applicant submits a complete application for an alcohol sales establishment, City Staff (consisting of the Police Chief, Fire Chief, Community Development Director, Finance Director, City Manager or their designees) shall review the application, and interview applicant(s) with sixty (60) days. WMC § 14-25.012. After the applicant is interviewed, successful applications shall receive a score of at least eighty (80%) percent of all available points on the rubric. If an application fails, a new application for an alcohol sales permit may be submitted after ninety (90) days of notice of rejected application. The Planning Commission shall consider each application for a Special Use Permit and shall approve or conditionally approve the permit upon making findings required in WMC Section 14-12.513. In addition, the following findings must be made for an alcohol related use pursuant to WMC Section 14-25.013:

- a) The proposed use received the minimum score necessary to issue a conditional use permit.
- b) The proposed use will not cause adverse noise, litter, crowd control, or parking impacts.
- c) The proposed use will not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code section 24200(f)(2).
- d) The proposed use will maintain all levels of service, including but not limited to the provision of security, maintenance of premises, LEAD training, and professional management as identified in the original application.

Planning Commission, demonstrating the application has conformed to all the required findings of the Watsonville Municipal Code, can condition the alcohol related use with minimum operational standards pursuant to WMC Section 14-25.020.

Environmental Review

The California Environmental Quality Act requires local and state governments to consider the potential environmental effects of a project before making a decision on it. CEQA's purpose is to disclose any potential impacts of a project and suggest methods to minimize identified impacts. Certain categories of projects, however, have been identified that do not have a significant effect on the environment, and are considered exempt from the requirement for the preparation of environmental documents. State CEQA Guidelines § 15300.

STANDARD OF REVIEW & APPEAL PROCESS

Whether a particular decision is adjudicative or legislative affects the requirements for findings to support the decision. Legislative decisions involve the adoption of broad policies applicable to many situations (for example, general plan and zoning amendments). Most legislative decisions need not be accompanied by findings, unless a state law or City ordinance requires them.

Adjudicative (or "quasi-judicial") decisions, on the other hand, are not policy decisions. Adjudicative/quasi-judicial decisions apply previously adopted policies or standards to individual cases, such as a variance or conditional use permit application. Adjudicative/quasi-

judicial decisions are based on evidence and must always be supported by findings.²

This decision before the Planning Commission—a Special Use Permit—is an adjudicative/quasi-judicial decision and requires findings, either for denial, or as recommended, for approval that is supported by substantial evidence. *Toigo v Town of Ross* (1998) 70 Cal App 4th 309

If the Planning Commission's decision is appealed, the City Council will consider whether the action taken by the Planning Commission was erroneously taken and may sustain, modify or overrule the action. In order for an official action to be overturned by an appeal, the City Council must find that the action taken by the Planning Commission was taken erroneously and was inconsistent with the intent of the Zoning District regulations that regulate the proposed action. WMC § 14-10.1106.

A lawsuit is required to challenge a council's decision. A reviewing court will consider whether an adjudicative/quasi-judicial decision by the council was supported by adequate findings. Courts scrutinize adjudicative/quasi-judicial decisions closely. An action may be overturned if the city (1) exceeded its authority; (2) failed to provide a fair hearing; or (3) or made a decision not supported by substantial evidence (also called "a prejudicial abuse of discretion").

Another important difference between legislative and adjudicative/quasi-judicial decisions is the substantial evidence standard: in weighing evidence of what happened at the council meeting, courts go beyond whether a decision was "reasonable" (the legislative standard). Court's reviewing adjudicative/quasi-judicial decisions look to make sure the decision is supported by substantial evidence. Denied applicants argue the there is no substantial evidence to support the decision. Cities usually assert there is substantial evidence to support the decision and rely on (1) the written words in the staff findings, (2) the statements by those presenting at the hearing and (3) the words of the planning commission or council.

DISCUSSION

Existing Site

The 0.32± acre subject site (APN 016-501-18) is developed with a 1,040± square foot single story convenience store with parking near the interior side yard property line. Towards the front of the property is a canopy that houses six gasoline pumps. The subject property is fully paved with landscaping near the interior side yard property line and on the corner of Sydney Avenue and Freedom Boulevard. Access is from two driveways along Freedom Boulevard and one along Sydney Avenue. The two driveways along Freedom Boulevard measure approximately 50± feet and the third driveway measures approximately 35± feet. The adjoining and nearby adjacent parcels consist of public facilities and single-family residential development. Across the street of the subject site is McDonald's and Sofspa Car Wash.

² Quasi-judicial decisions require the decision-making body to take evidence and use its judgment to make factual as well as legal determinations about whether a particular property or project meets the standards established by the land use ordinance.



FIGURE 1 Aerial Photograph of 1597 Freedom Boulevard

Source: Google Earth, 2017

Floor Plan

The convenience store is 1040± square feet in area. The sales floor area has a pastry/sweets aisle, candy and gum aisle, and a retail aisle with automotive related supplies and ice cream novelty snacks. The two snack aisles have Frito lay chip displays at the end each aisle, facing the coolers. On the wall to the left of the cashier station, there is a soda/beer cooler, fountain drink station, and hot foods with an ATM and lotto station towards the back of the store. On the back wall facing the cashier, are seven coolers that hold various drinks. The wall coolers have dairy, non-carbonated drinks, carbonated drinks and beer. Four of the eight coolers hold beer and wine. Storage space, a utility closet, and restroom facilities are located behind and adjacent to the cashier station. See figure 2 for the existing and proposed floor plan.

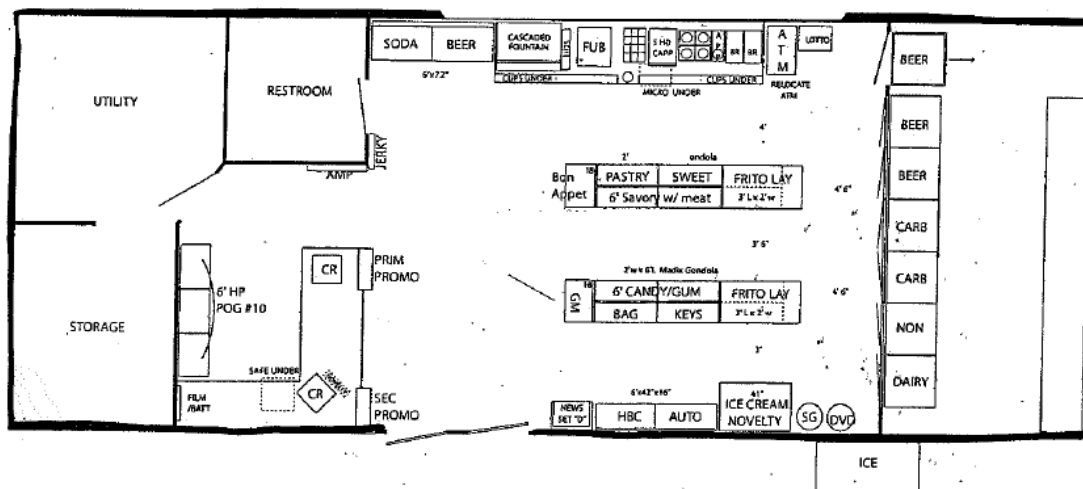


FIGURE 2 Existing and Proposed Floor Plan

Source: Department of Alcohol and Beverage Control, 2019

Hours of Operation

The proposed hours of operation for the convenience store are 6:00 AM to 12:00 AM daily, with gas pump sales available for credit card customers after the convenience store has closed. The hours have been reviewed by the Watsonville Police Department and were found to be acceptable.

Police Review

The Watsonville Police Department tracks all alcohol licenses in the City and the reported crime associated with these licenses. The Police Department also confirms that alcohol license holders comply with ABC regulations.

Police Department review indicates that the location is within a high crime area of ABC licenses. Since this is an existing ABC license, the license is allowed to continue in operation.

Existing facilities with off sale beer and wine sales (Type 20 ABC license) are not subject to the discretionary powers³ of the Local Governing Body per WMC Section 14-16.1203(c). The proposed use has been conditioned with standard conditions for establishment of off sale beer and wine sales to ensure that it will be in conformity with applicable regulations and not have any negative impacts on the neighborhood.

Type 20 Alcohol Licenses

ABC issues various licenses for the sale of alcohol for different types of establishments. The Type 20 (Off-sale Beer and Wine – Eating Place) license allows the sale of beer and wine for consumption off the premises where sold. Minors may be allowed on the premises. No distilled spirits may be on the premises. Malt beverage and fortified wine shall not be sold in

³ Discretionary powers allow the exercise of judgment, deliberation or decision in approving or denying a particular activity by the decision-making authority. Non-discretionary powers merely allow the determination whether there is conformity with applicable ordinances or regulations (aka ministerial decision).

containers with a volume exceeding sixteen (16) ounces. The sale of individual containers of malt beverage or fortified wine is prohibited.

LEAD Training

A condition of approval requires all service staff, managers and owners attend ABC Licensee Education on Alcohol and Drugs (LEAD) training within 90 days of approval of this Use Permit and/or employment at the alcohol sales establishment, and every five years thereafter. WMC §14-25.021(a). The applicant is required to submit verification of LEAD training attendance to the Community Development Department.

Compliance with Alcohol Ordinance

WMC Chapter 14-25 regulates the location and operation of alcohol establishments within the City. This chapter is intended to reduce alcohol-related environmental and social problems by regulating the use, operation, and location of establishments selling alcoholic beverages in relation to one another and their proximity to sensitive uses and facilities customarily to be used by children and families.

In accordance with WMC Section 14-25.011(a), the applicant provided the following information regarding their Business Plan for 32 Enterprises Inc.:

32 Enterprises Inc will be operating a (Valero Gas Station) with a convenience store. We will have two employees per shift with a manager and an assistant manager. Regional representative from SEI fuels will also be involved in our upkeep and maintenance of the business. 32 Enterprises Inc. employees are trained in multiple aspects in retail sales. Training includes sales of alcohol and tobacco, friendly and non-discriminatory service, and maintenance and upkeep of property. All employees are required to read and sign company rules and regulations.

Our hours of operation will be from 6 AM to 12 AM. Our pumps will be available for credit card customers after convenience store has closed.

We hope to serve our customers with a variety of products such as fresh coffee, snacks, juice, water, groceries, health and beauty products. We want to make sure our location is a family friendly store. We will ensure a safe and clean environment in which every child, woman, or man will feel comfortable.

Also in accordance with of WMC Section 14-25.011(d), the applicant provided the following information in their Neighborhood Compatibility Plan:

We must and have trained our staff to check ID's for every alcohol and tobacco sale. If an ID is not shown and scanned our POS (point of sale) system will not allow the transaction. We have an alcohol agreement form which all employees must sign.

If a crime happens, we do have numbers posted to call. If it is an emergency, we call 911. For non-emergency crimes we call Watsonville police. Our alarm company also has a panic button if a robbery were to occur. Lighting and extra staff with a policy to carry a minimum amount of money in tills should help deter robberies. We understand

how important it is to work with law enforcement. That may start with sharing our surveillance videos for crimes.

32 Enterprises Inc. staff understand how important it is to keep a business environment clean. A clean attractive location will attract more customers. Every shift is instructed to change out all trash cans and to sweep the entire property and adjacent areas. Every opening and closing shift, staff are instructed to have a walk through around the entire property and make sure the property is picked up. Every week we will also have the property pressure washed.

Signs will be posted for customers to obey and respect the property and surroundings.

Additionally, the applicant provided the following information for their Safety and Security Plan required by WMC Section 14-25-011(c):

Surveillance cameras that cover the entire business area and adjacent property are vital for security. Security cameras help deter crimes and loitering. Signs that restrict loitering and open alcoholic beverages are beneficial to keep the area secure and safe. Proper lighting around the area is already existing.

The (Valero gas station) has a plethora of lighting. There is existing LED lighting under the canopy and there is lighting around the building.

In accordance with WMC Sections 14-25.021 and 14-25.023, all operational standards applicable to a gas station with convenience store with beer and wine sales are incorporated as Conditions of Approval.

Interview Scoring

The application was initially reviewed in November 2019 for completeness with City requirements. After the application was deemed complete, the applicant was interviewed by a selection committee consisting of the Police Chief, Fire Chief, Community Development Director, Finance Director, and City Manager or their designees. The applicant was then interviewed and scored based on four main categories: location (150 points), business plan (275 points), neighborhood compatibility plan (375 points), and a safety and security plan (225 points). There are bonus points that applicants can receive for community benefits (50 points), labor and employment (25 points), and local enterprise/qualifications of principals (75 points). The total maximum possible score for an off-sale alcohol related use application is 1,025 points, excluding the bonus points. An applicant must receive a minimum score of 820 points (80%) to be approved.

On December 6, 2019, business owner Rahil Hussain, was interviewed by City Staff and received a score of 885. A summary related to the interview scoring follows each interview category can be found in Attachment 2.

Alcohol Related Findings

Below are the required alcohol-related use findings, pursuant to WMC Section 14-25.013, along with evidence to support them:

(a) The proposed use received the minimum score necessary to issue a conditional use permit.

The application received a passing score of 885 points, exceeding the minimum score of 820 points.

(b) The proposed use will not cause adverse noise, litter, crowd control, or parking impacts.

The subject site is developed with a single-story gas station with convenience store where parking exists along the side yard property lines. The applicant has indicated that signage will be posted both inside and outside the existing business, altering patrons to keep noise to a minimum while on the premises. The applicant has recently updated LED lighting in and around the business area and has installed new security cameras. As conditioned, the proposed use will not cause adverse noise, litter, crowd control, or parking impacts for the surrounding development.

(c) The proposed use will not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code Section 24200(f)(2).

The proposed use, as conditioned with minimum operation standards for alcohol related uses pursuant to WMC Sections 14-25.021, 14-25.023, and 14-25.030, will not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code Section 24200(f)(2).

(d) The proposed use will maintain all levels of service, including but not limited to the provision of security, maintenance of premises, LEAD training, and professional management as identified in the original application.

The proposed use, as conditioned with minimum operation standards for alcohol related uses, will maintain all levels of services, including but not limited to provisions of security cameras, maintenance of premises, LEAD training, and professional management as identified in the original application.

Parking

The subject site parking lot provides adequate parking spaces. No additional parking is required for a transfer in ownership of an existing Type 20 ABC License.

Environmental Review

The proposed project is eligible for a Class 1 Categorical Exemption per Section 15301 of the *State CEQA Guidelines* as it involves establishing an existing alcohol license (ABC Type 20) under new ownership and involves no expansion of the existing use. The project will not involve any interior or exterior modifications.

CONCLUSION

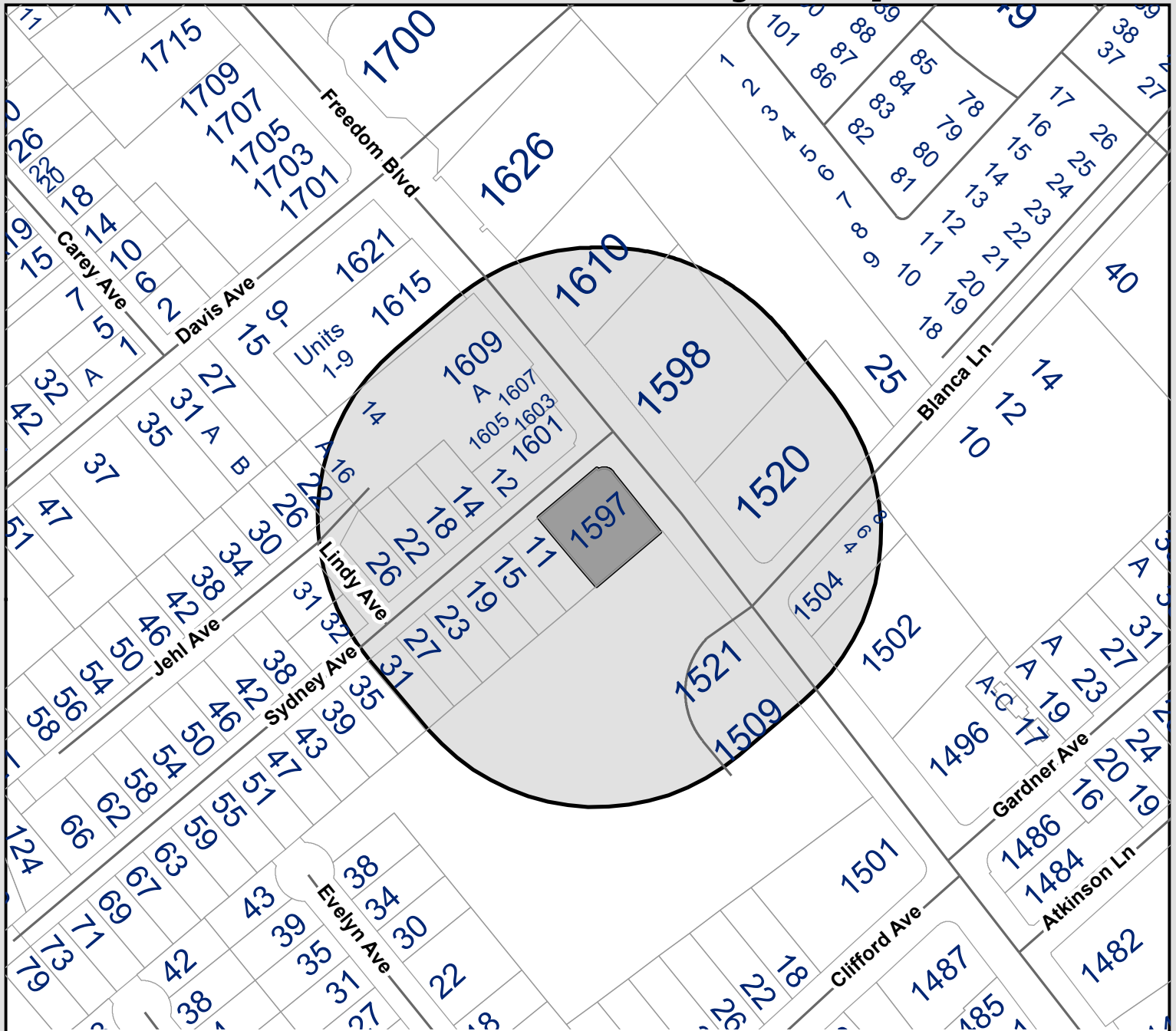
The proposed establishment to allow an existing convenience store and gas station to sell off-sale beer and wine (Type 20 ABC License) located at 1597 Freedom Boulevard meets all

requirements of WMC Chapter 14-25 (Alcohol Related Uses) and Zoning district regulations, as conditioned. Therefore, staff recommends that the Planning Commission approved the proposed use.

ATTACHMENTS:

1. Site and Vicinity Map
2. Plan Set (dated 8/28/19; received 8/28/19)
3. Alcohol Related Uses – Interview Scoring Rubric (interview conducted 12/6/19)

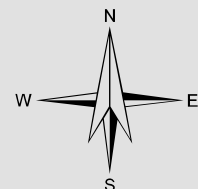
Site and Vicinity Map



Legend

- | | | | | | |
|--|------------------------|--|--------------|--|------------------|
| | Street | | Parcel | | 300' Buffer Zone |
| | Watsonville City Limit | | Project Site | | |

PROJECT: PP2019-347
 APPLICANT: 32 Enterprises Inc.
 APN#s: 016-501-18
 LOCATION OF PROJECT: 1597 Freedom Blvd



Prepared by Watsonville GIS Center 12/13/2019 (CDD1980).

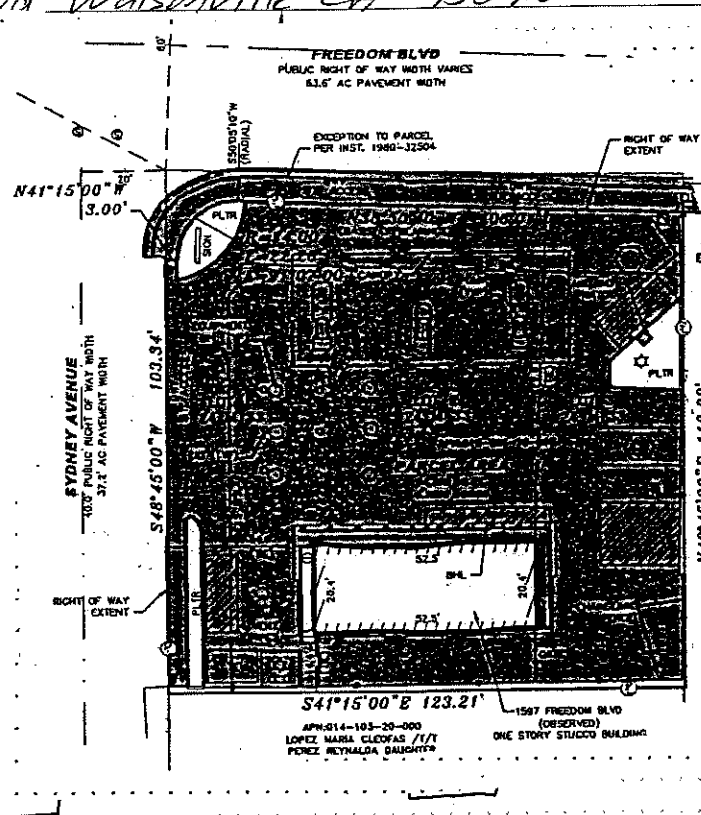
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 The City of Watsonville assumes no responsibility for any errors.

Attachment 1
page 1 of 1

SUPPLEMENTAL DIAGRAM**Instructions to Applicant:**

Draw a sketch of the area on which the licensed premises is or will be located. Show adjacent structures and nearest cross streets. *If this is an event for a daily license, catering authorization, event authorization or miscellaneous use, show the area where sales and consumption of alcoholic beverages will occur. Post a copy of this diagram with Daily License, Catering Authorization or Event Authorization where the event is held. Sales and consumption of alcoholic beverages must be confined to the area designated in the diagram and supervised to prevent violations of the Alcoholic Beverage Control Act.*

1. APPLICANT NAME (Last, first, middle) <u>Hussain Bahil Ali</u>	2. LICENSE TYPE <u>20</u>
3. PREMISES ADDRESS (Street number and name, city, zip code) <u>1597 Freedom Blvd Watsonville CA 95076</u>	4. NEAREST CROSS STREET

DIAGRAM

I have read the above instructions and I declare under penalty of perjury that the above diagram is true and correct.

APPLICANT SIGNATURE

DATE SIGNED

FOR ABC USE ONLY

CERTIFIED CORRECT (Signature)

PRINTED NAME

INSPECTION DATE

The diagram below is a true and correct description of the entrances, exits, interior walls and exterior boundaries of the "storeroom", "office", etc.).

It is hereby declared that the above-described premises and character of premises, as indicated on the reverse side, will not be changed in accordance with Rule 64.2 of the California Code of Regulations without first notifying and securing approval of the Department of Alcoholic Beverage Control. Substantial changes to the premises may require an application fee in accordance with Section 24072 of the Business and Professions Code. I declare under penalty of perjury that the foregoing is true and correct.

ABC-257 (07/19)

LOCATION

Score	Max Score	Questions	Answers
25	25	Detailed description of proposed location.	The applicant provided a detailed description of the proposed location.
0	25	List of surrounding uses within 100 feet.	A list of surrounding uses was not provided or discussed.
25	50	No existing sensitive uses within 300 feet.	1180 Main Street is within 300 feet of Ramsay Park. 1597 Freedom Boulevard has no sensitive uses within 300 feet.
15	25	Is the business located in a census tract with high crime per ABC regulations? (points earned if no)	1180 Main Street is also within a high crime area. 1597 Freedom Boulevard is not located within a high crime area.
0	25	Is the business located in a census tract that is over concentrated per ABC regulations? (points earned if answer is no)	Both locations are located in an over-concentrated area.
65	150	TOTAL	

BUSINESS PLAN

Score	Max Score	Questions	Answers
75	75	A detailed description of daily operations (staffing plan, menu, staff training and procedures).	Applicant provided a description of daily operations.
50	50	Proposed operating hours (Does it comply with standard hours of operation per Ordinance?)	The proposed operating hours of the convenience store are 6 AM to 12 AM. These hours comply with the standards of WMC Chapter 14-25.
75	75	A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs.	A detailed budget was provided in the Alcohol Related Uses Application.
0	25	Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, letters of credit or other equivalent assets.	No proof of capitalization was provided.
50	50	Three professional letters of reference (1- Character and 2- Business experience)	Three professional letters of reference were provided.
250	275	TOTAL	

NEIGHBORHOOD COMPATIBILITY PLAN

Score	Max Score	Description	Answers
200	200	Management plan for interior and exterior areas, both public and private to prevent nuisances: <ul style="list-style-type: none"> Noise control measures for uses with outdoor areas Sufficient signage Sufficient lighting for safety Clear measures to avoid sales to minors Measures for reporting crime Litter control measures 	Neighborhood compatibility plan addressed the following: hiring locals first, LED lighting, staff protocol for checking IDs, safety protocol for reporting crime, litter control measures, signage and security camera plan including coverage of entire business and adjacent property.
50	50	Procedures to monitor areas adjacent to business to include litter clean up on a regular basis	
40	50	Signage posted near exit doors alerting patrons to any residential neighbors	Applicant will post signage alerting patrons to residential neighbors.
50	50	Procedures to prevent nuisances, loitering in parking lot, and any other requirements to prevent conflicts with adjacent residences/businesses.	
0	25	Bike racks provided	No bike racks are provided on site.
340	375	TOTAL	

SAFETY AND SECURITY PLAN

Score	Max Score	Description	Answers
80	100	<p>Does business have well thought out security plan?</p> <ul style="list-style-type: none"> • Security camera plan detailing location and retention schedule of footage • Lighting schedule detailing appropriate lighting inside and outside of business. Lighting does not create spillover onto adjacent properties. • Window coverage – up to 25 percent of windows can be covered. Plans indicate that windows will allow adequate visibility. 	<p>Applicant discusses installing security cameras that will cover entire business area and adjacent properties. Lighting is existing under canopy and surrounding building. Window coverage was not addressed. Applicant also provided procedures for handling a robbery, which included cashiers holding a minimum amount of money in tills.</p>
0	25	Plans indicate maximum occupancy of the facility	Maximum occupancy was not included on the plans.
50	50	Site and floor plans showing existing floor plan and a proposed floor plan, if changes are to be made.	Site and Floor plan were provided.
50	50	Planned LEAD training of owners, managers, and staff.	Applicant indicated that all staff will obtain LEAD training and verification will be sent to City Staff once completed.
180	225	TOTAL	

COMMUNITY BENEFITS (Bonus Points)

Score	Max Score	Questions	Answers
0	25	A description of how the facility will benefit the community.	No description provided.
0	25	Community events and/or entertainment open to all ages.	No description provided.
0	50	TOTAL	

LABOR AND EMPLOYMENT (Bonus Points)

Score	Max Score	Questions	Answers
25	25	Local hiring policy	Applicant indicated that employees will live in Watsonville.
25	25	TOTAL	

LOCAL ENTERPRISE/QUALIFICATIONS OF PRINCIPALS (Bonus Points)

Score	Max Score	Questions	Answers
0	25	Business owner or main partners live within City of Watsonville.	Business owner and main business partners do not live within the City of Watsonville.
0	25	Business owner or main partners live within Santa Cruz County.	Business owner and main business partners do not live within Santa Cruz County.
0	25	Business owner or main partners have previously owned a similar alcohol-serving business in good standing.	Business owner operations 13 other locations that have either Type 20 or 21 ABC licenses.
0	75	TOTAL	

RESOLUTION NO. _____ - 20 (PC)

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, APPROVING A SPECIAL USE PERMIT WITH ENVIRONMENTAL REVIEW (PP2019-347) TO ALLOW THE ESTABLISHMENT OF AN OFF-SALE BEER AND WINE LICENSE UNDER NEW OWNERSHIP FOR AN EXISTING GAS STATION WITH A 1040 SQUARE FOOT CONVENIENCE STORE (32 ENTERPRISES INC) LOCATED AT 1597 FREEDOM BOULEVARD, WATSONVILLE, CALIFORNIA (APN 016-501-18)

**Project: Rahil Hussain for 32 Enterprises Inc.
APN: 016-501-18**

WHEREAS, on August 28, 2019, an application for a Special Use Permit (PP2019-347) to allow an existing gas station and 1040 square foot convenience store to transfer a Type 20 ABC License to sell beer, wine, and liquor for off-site consumption to new ownership at 1597 Freedom Boulevard, Watsonville, California, was filed by Rahil Hussain, applicant, on behalf of 7-Eleven, Inc., property owner; and

WHEREAS, the project site is designated General Commercial on the General Plan Land Use Map and is within the Thoroughfare Commercial (CT) Zoning District; and

WHEREAS, pursuant to Sections 14-16.1203(b) of the Watsonville Municipal Code (WMC), a convenience store with beer and wine sales (DLU 541) is allowed conditionally in the CT Zoning District with issuance of a Special Use Permit; and

WHEREAS, the project qualifies for a Class 1 Categorical Exemption from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15301 of the CEQA Guidelines; and

WHEREAS, on May, 1, 1976, the Department of Alcohol and Beverage Control (ABC) issued Ultramar 3400 a Type 20 ABC License for Off-Sale Beer and Wine Sales; and

WHEREAS, on September 10, 2002, the City of Watsonville enacted Watsonville Municipal Code (WMC) Chapter 14-25 on Alcohol Related Uses (Ordinance 1135-02-CM). The Ordinance details required documentation for an alcohol related uses application, permits required for various ABC licenses, and conditions of approval for alcohol related uses; and

WHEREAS, WMC Section 14-25.050(b) provides the process to permit existing alcohol related establishments in accordance with Chapter 14-25, as follows: all alcohol related establishments operating as of October 10, 2002 [the effective date of, after the adoption of Ordinance No. 1135-02 (CM) creating Chapter 14-25 of the Watsonville Municipal Code, but without a valid Use Permit approved specifically for the purpose of alcohol sales, shall file an application to obtain a conditional use permit no later than January 1, 2003; and

WHEREAS, the City developed a No-Fee Special Use Permit, a one-page form that was approved without a public hearing for businesses not declared a “public nuisance” or on probationary status with ABC. WMC §14-25.050(b). To comply with this update, Ultramar 3737 obtained a No-Fee Special Use Permit (PP2003-103) on September 5, 2003; and

WHEREAS, upon further review, ABC has documented two transfers of ownership of the Type 20 ABC License established under Ultramar, Inc. On June 18, 2007, the license was transferred from Ultramar, Inc. to CST California Stations Inc. The license was then transferred on October 11, 2016 to Sharma Management Inc. Sharma Management Inc. currently holds the Type 20 ABC License for 1180 Main Street, and

WHEREAS, WMC Chapter 14-25 on Alcohol Related Uses and WMC Chapter 14-16 on District Regulations require a Special Use Permit each time a “substantial change in mode or character operation” occurs with a Type 20 ABC License in the CT Zone. This

includes a transfer of ownership of an existing ABC License. While these changes in ownership were not documented by City Staff through the Use Permit process, WMC Chapter 14-25, established through Ordinance 1135-02 (CM) and recently modified by Ordinance No. 1384-19 and No. 1385-19 (CM), a Special Use Permit is required for a transfer of ownership of an existing Type 20 ABC License located in the CT Zone; and

WHEREAS, notice of time and place of the hearing to consider Special Use Permit with Environmental Review (PP2019-347) was given at the time and in the manner prescribed by the Zoning Ordinance of the City of Watsonville. The matter called for hearing evidence both oral and documentary introduced and received, and the matter submitted for decision; and

WHEREAS, the Planning Commission has considered all written and verbal evidence regarding this application at the public hearing and has made Findings, attached hereto and marked as Exhibit "A," in support of the Special Use Permit with Environmental Review (PP2019-347) to allow the establishment of an off-sale beer and wine license under new ownership for an existing gas station with a 1040± square foot convenience store located at 1597 Freedom Boulevard, Watsonville (APN 016-501-18).

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Watsonville, California, as follows:

Good cause appearing, therefore, the Planning Commission of the City of Watsonville does hereby grant approval of Special Use Permit with Environmental Review (PP2019-347), attached hereto and marked as Exhibit "C," subject to the Conditions attached hereto and marked as Exhibit "B," to allow the establishment of an off-sale beer and wine license under new ownership for an existing gas station with a 1040± square foot convenience store located at 1597 Freedom Boulevard, Watsonville (APN 016-501-18).

I HEREBY CERTIFY that the foregoing Resolution was introduced at a regular meeting of the Planning Commission of the City of Watsonville, California, held on the 14th day of January, 2020, by Commissioner_____, who moved its adoption, which motion being duly seconded by Commissioner_____, was upon roll call, carried and the resolution adopted by the following vote:

Ayes: Commissioners:

Noes: Commissioners:

Absent: Commissioners:

Suzi Merriam, Secretary
Planning Commission

Jenny Veitch-Olson, Chairperson
Planning Commission

Application No: PP2019-347

APN: 016-501-08

Applicant: 32 Enterprises Inc.

Hearing Date: January 14, 2020

SPECIAL USE PERMIT FINDINGS (WMC § 14-12.513)

The purpose of the Special Use Permit is to allow the establishment of a convenience store with beer and wine sales under new ownership, pursuant to WMC Sections 14-16.1203(b).

- 1. The proposed use at the specified location is consistent with the policies embodied in the adopted General Plan and the general purpose and intent of the applicable district regulations.**

Supportive Evidence

As gas stations with convenience stores are intended to serve a variety of retail and service needs of the community, they are an allowed use on land designated General Commercial in the City's General Plan. A gas station with convenience store with off sale beer and wine sales is allowed as a conditional use in the Thoroughfare Commercial (CT) Zoning District with the approval of a Special Use Permit. The requested Special Use Permit for the establishment of off sale beer and wine sales under new ownership at an existing gas station with convenience store has been conditioned to conform to all applicable requirements of Chapter 14-25 (Alcohol Related Uses) of Title 14 (Zoning) of the Watsonville Municipal Code (WMC).

- 2. The proposed use is compatible with and preserves the character and integrity of adjacent development and neighborhoods and includes improvements or modifications either on-site or within the public rights-of-way to mitigate development related adverse impacts such as traffic, noise, odors, visual nuisances, or other similar adverse effects to adjacent development and neighborhoods.**

Supportive Evidence

As stated previously, establishing an existing Type 20 ABC License under new ownership is allowed with approval of a Special Use Permit. Standard conditions have been placed on the gas station with convenience store with off sale beer and wine sales to ensure adverse impacts do not occur related to alcohol sales, in accordance with WMC Sections 14-25.021 and 14-25.023. These conditions ensure the gas station with convenience store will be compatible with the neighborhood and adjacent businesses.

- 3. The proposed use will not generate pedestrian or vehicular traffic which will be hazardous or conflict with the existing and anticipated traffic in the neighborhood.**

Supportive Evidence

The proposed project does not represent a change or intensification of use for the existing gas station with convenience store. The Special Use Permit to establish off sale beer and wine sales in an existing gas station with convenience store will not generate additional pedestrian or vehicular traffic that will be hazardous or conflicting with the existing and anticipated traffic in the neighborhood.

4. **The proposed use incorporates roadway improvements, traffic control devices or mechanisms, or access restrictions to control traffic flow or divert traffic as needed to reduce or eliminate development impacts on surrounding neighborhood streets.**

Supportive Evidence

No alterations to building layout or location are proposed as part of this Use Permit, and no additional traffic impacts are anticipated to occur as a result of establishing off sale beer and wine sales under new ownership at an existing gas station with convenience store. As such, no additional onsite or roadway improvements or modifications are required as part of this Use Permit.

5. **The proposed use incorporates features to minimize adverse effects, including visual impacts and noise, of the proposed special use on adjacent properties.**

Supportive Evidence

As stated previously, standard conditions have been placed on the gas station with convenience store with off sale beer and wine sales to ensure adverse impacts do not occur related to alcohol sales, in accordance with WMC Sections 14-25.021 and 14-25.023. These conditions ensure the gas station with convenience store will be compatible with the neighborhood and adjacent businesses.

Establishing an existing gas station with convenience store with a Type 20 ABC License under new ownership will not result in additional noise impacts.

6. **The proposed special use complies with all additional standards imposed on it by the particular provisions of this chapter and all other requirements of this title applicable to the proposed special use and uses within the applicable base zoning district.**

Supportive Evidence

As stated previously, the proposed use is required to comply with standard operational conditions for a gas station with convenience store with off sale beer and wine sales, which prohibits the individual sale of malt beverage or fortified wine nor allows malt beverages and fortified wine to be sold in containers with a volume exceeding sixteen (16) ounces. The proposed gas station with convenience store has been conditioned to require that all managers and servers attend LEAD training within 90 days of approval of this Use Permit and/or employment at the restaurant.

7. **The proposed special use will not be materially detrimental to the public health, safety, convenience and welfare, and will not result in material damage or prejudice to other property in the vicinity.**

Supportive Evidence

The existing gas station with convenience store with off sale beer and wine sales would continue to complement the existing commercial uses in the vicinity. As conditioned, the gas station with convenience store with off sale beer and wine sales will continue to be required to comply with all requirements of an establishment with off sale beer and wine sales. As conditioned, the establishment of an existing gas station with convenience store with off sale beer and wine sales under new ownership will not be detrimental to the public health, safety, convenience and welfare, and will not result in material damage or prejudice to other property in the vicinity.

In addition, the project site is within a developed area that is currently served by municipal services, including water, sewer, police and fire, and therefore would not cause serious a public health or safety problem to future patrons of the gas station with convenience store and/or other businesses in project site.

ALCOHOL-RELATED USE FINDINGS (WMC § 14-25.013)

1. **The proposed use received the minimum score necessary to issue a conditional use permit.**

Supportive Evidence

The application received a passing score of 885 points, exceeding the minimum score of 820 points.

2. **The proposed use will not cause adverse noise, litter, crowd control, or parking impacts.**

Supportive Evidence

The subject site is developed with a single-story gas station with convenience store where parking exists along the side yard property lines. The applicant has indicated that signage will be posted both inside and outside the existing business, altering patrons to keep noise to a minimum while on the premises. The applicant has recently updated LED lighting in and around the business area and has installed new security cameras. As conditioned, the proposed use will not cause adverse noise, litter, crowd control, or parking impacts for the surrounding development.

3. **The proposed use will not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code Section 24200(f)(2).**

Supportive Evidence

The proposed use, as conditioned with minimum operation standards for alcohol related uses pursuant to WMC Sections 14-25.021, 14-25.023, and 14-25.030, will

not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code Section 24200(f)(2).

4. **The proposed use will maintain all levels of service, including but not limited to the provision of security, maintenance of premises, LEAD training, and professional management as identified in the original application.**

Supportive Evidence

The proposed use, as conditioned with minimum operation standards for alcohol related uses, will maintain all levels of services, including but not limited to provisions of security cameras, maintenance of premises, LEAD training, and professional management as identified in the original application.

Application No: PP2019-347
APNs: 016-501-08
Applicant: 32 Enterprises Inc.
Hearing Date: January 14, 2020

**SPECIAL USE PERMIT
CONDITIONS OF APPROVAL**

General Conditions:

1. **Approval.** This approval applies to the application submitted on August 28, 2019, by Rahil Hussain, and identified as "Special Use Permit" for the establishment of off sale beer and wine sales under new ownership at an existing gas station with convenience store, date stamped by the Community Development Department on August 28, 2019. (CDD-P)
2. **Conditional Approval Timeframe.** This Special Use Permit (PP2019-347) shall be null and void if not acted upon within **24 months** from the effective date of the approval thereof. Time extensions may be considered upon receipt of written request submitted no less than forty-five (45) days prior to expiration and in accordance with the provisions of Section 14-10.1201 of the Watsonville Municipal Code (WMC). (CDD-P)
3. **Modifications.** Modifications to the project or conditions imposed may be considered in accordance with WMC Section 14-10.1305. (CDD-P)
4. **Compliance.** The proposed use shall be in compliance with Use Permit Conditions of Approval, all local codes and ordinances, appropriate development standards, and current City policies. Any deviation will be grounds for review by the City and may possibly result in revocation of the Use Permit, pursuant to Part 13 of WMC Chapter 14-10. (CDD-P)
5. **Grounds for Review.** The project shall be in compliance with the conditions of approval, all local codes and ordinances, appropriate development standards, and current City policies. Any deviation will be grounds for review by the City and may possibly result in revocation of the Special Use Permit, pursuant to Part 13 of WMC Chapter 14-10, or other code enforcement actions, pursuant to WMC Chapter 14-14. (CDD-P)
6. **Appeal Period/Effective Date.** This Special Use Permit shall not be effective until **14 days** after approval by the decision-making body or following final action on any appeal. (CDD-P)

Ongoing Conditions:

7. **ABC Conditions.** Any and all conditions of the Department of Alcohol and Beverage Control (ABC) are incorporated by reference as conditions of approval for this Use Permit. (CDD-P)
8. **Neighborhood Compatibility Plan.** The applicant shall implement their Neighborhood Compatibility Plan to ensure the gas station with convenience store with beer and wine sales will not create objectionable conditions that constitute a nuisance and will be compatible with existing and potential uses within the general area. Specific measures include:
 - We must and have trained our staff to check ID's for every alcohol and tobacco sale. If an ID is not shown and scanned our POS system will not allow the transaction. We have an alcohol agreement form which all employees must sign.
 - If a crime happens, we do have numbers posted to call. If it is an emergency, we call 911. For non-emergency crimes we call Watsonville police. Our alarm company also has a panic button if a robbery were to occur. Lighting and extra staff with a policy to carry a minimum amount of money in tills should help deter robberies. We understand how important it is to work with law enforcement. That may start with sharing our surveillance videos for crimes.
 - 32 Enterprises Inc. staff understand how important it is to keep a business environment clean. A clean attractive location will attract more customers. Every shift is instructed to change out all trash cans and to sweep the entire property and adjacent areas. Every opening and closing shift, staff are instructed to have a walk through around the entire property and make sure the property is picked up. Every week we will also have the property pressure washed.
 - Signs will be posted for customers to obey and respect the property and surroundings. (CDD-P)
13. **Drive-through Service.** Drive-through service of alcohol is prohibited. (CDD-P, WPD)
14. **Exterior Pay Phones.** No exterior pay phones may be placed on the premises. (CDD-P, WPD)
9. **Interior Pay Phones.** Interior pay phones shall not allow incoming calls. (CDD-P, WPD)
10. **Hours of Operation.** Permitted hours of operation for the gas station with convenience store shall be 6:00 AM to 12:00 AM daily. (CDD-P, WPD)
11. **Premise Monitoring.** Business owner shall regularly police the areas under their control, including but not limited to: parking lots, restrooms, alleys, and sidewalks, to prevent the loitering of persons about the premises. (CDD-P, WPD)

12. **Window Obstructions.** Except as may be specifically allowed by the Municipal Code, no portion of the ground floor windows shall be obscured by paint, walls, window tinting, or other masking device. This requirement is intended to facilitate views of the interior from the exterior for public safety and does not prohibit neon signs, minimal window borders, or other signs or decorations that are consistent with the City's sign regulations and do not obscure views. (CDD-P)
13. **Minors.** The premises shall remain accessible to minors during all hours of operation. (CDD-P)
14. **Malt Beverage Container Sizes.** Malt beverage and fortified wine shall not be sold in containers with a volume exceeding sixteen (16) ounces. (CDD-P)
15. **Malt Beverage Sales.** The sale of individual containers of malt beverage or fortified wine is prohibited. (CDD-P)
16. **Trash Receptacles.** Permanent litter and trash receptacles shall be located at convenient locations inside and outside establishments, and operators of such establishments shall remove litter and debris on a daily basis. (CDD-P)
17. **Required Signs.** The following signs may be required to be prominently posted in a readily visible manner in English, Spanish, and the predominant language of the patrons:
 - "California State Law prohibits the sale of alcoholic beverages to persons under twenty-one (21) years of age."
 - A copy of these performance conditions, any applicable ABC or City operating conditions, and any training requirements shall be posted in at least one (1) prominent place within the interior of the establishment where it will be readily visible and legible to the employees and patrons of the establishment.
18. **Employee Age.** Employees shall be at least twenty-one (21) years of age to sell and serve alcohol. (CDD-P, WPD)
19. **Lingering Patrons.** The business shall be required to clear the storefront and the adjacent parking lots in the immediate vicinity of the establishment of any lingering patrons immediately after closing. (CDD-P, WPD)
20. **Conditions of Approval Display.** A copy of the Use Permit Conditions of Approval shall be kept conspicuously on the premises of the business and made available to any member of the public or enforcement officer wishing to review them. (CDD-P)
21. **LEAD Training.** All owners, managers and service staff shall follow responsible beverage service (RBS) practices and procedures. Owner(s), manager(s) and service staff shall attend ABC's Licensee Education on Alcohol and Drugs (LEAD) training within ninety (90) days from the date of approval of this Use Permit and/or employment at the restaurant, and each five (5) years thereafter. Upon completion

of the training, the applicant shall submit a card verifying full attendance of the three and one-half (3.5) hour training to the Community Development Department. Failure to attend and submit verification of attendance to the Planning Commission. (CDD-P, WPD)

22. **Permit Term.** The Use Permit shall be valid for **20 years** after the effective date of this Use Permit unless there is a change of ownership or other substantial change in mode or character of operation, at which time a new Use Permit shall be required. (CDD-P)
23. **Accessibility.** The project shall conform with accessibility requirements to buildings and facilities by individuals with disabilities under the American Disabilities Act. (CDD-B)

Future Sign Permit:

24. **Sign Permit.** Any new or proposed changes in the exterior signage for the premises shall require Sign and Building Permits through the Community Development Department. (CDD-P-B)

Indemnity Provision:

25. **Indemnity Provision.** The applicant shall sign a defense and indemnity contract agreeing to defend, indemnify, and hold harmless the City of Watsonville, its elected and appointed officials, officers, employees, and agents arising out Special Use Permit with Environmental Review (PP2019-346), including but not limited to any approval or condition of approval of the City of Watsonville Planning Commission or City Council. The City shall promptly notify the applicant of any claim, action, or proceeding concerning this permit and the applicant and City shall cooperate fully in the defense of the matter. The City reserves the right to select counsel in the defense of the matter. (CA)

Key to Department Responsibility

CDD-B	–	Community Development Department (Building)
CDD-P	–	Community Development Department (Planning)
CDD-E	–	Community Development Department (Engineering)
PW	–	Public Works Department
WFD	–	Watsonville Fire Department
CA	–	City Attorney

**CITY OF WATSONVILLE
PLANNING COMMISSION**

EXHIBIT C

Application No: PP2019-347
APNs: 016-501-08
Applicant: 32 Enterprises Inc.
Hearing Date: January 14, 2020

Applicant: Rahil Hussain, 32 Enterprises Inc.
Address: 1597 Freedom Boulevard, Watsonville, CA 95076
Project: Special Use Permit
Location: 1597 Freedom Boulevard, Watsonville, CA 95076
Purpose: Allow existing gas station with a 1061± square foot convenience store to establish off-sale beer and wine license under new ownership
Property Owner: 7-Eleven Inc.
Address: PO BOX 711, Dallas, TX 75221-0711

A Special Use Permit (PP2019-347) to allow the establishment of an off-sale beer and wine license under new ownership for an existing gas station with a 1040± square foot convenience store located at 1180 Main Street, Watsonville (APN 016-172-19), was reviewed by the Planning Commission at a public hearing on January 14, 2020, and was conditionally approved by adoption of Planning Commission Resolution No. _____ (PC) together with findings and conditions of approval attached hereto and made a part of this permit.

CITY OF WATSONVILLE
Planning Commission

Suzi Merriam
Community Development Director

City of Watsonville
M E M O R A N D U M



DATE: December 23, 2019

TO: Planning Commission

FROM: Suzi Merriam, Community Development Director

SUBJECT: Consideration of a Resolution recommending that the City Council adopt amendments to Watsonville Municipal Code Chapter 14-16 (District Regulations) and Chapter 14-53 (Cannabis Facilities)

AGENDA ITEM: January 14, 2020 **Planning Commission**

RECOMMENDATION:

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

CEQA REVIEW: The provisions of the proposed Ordinance have been found to be not a project under the California Environmental Quality Act (CEQA) of 1970, together with regulations and guidelines promulgated thereunder (including without limitation Section 15378 of the CEQA Guidelines), and is also exempt from CEQA pursuant to Section 15061(b)(3) because it has no potential for causing a significant effect on the environment.

OVERVIEW:

On November 8, 2016, California voters passed Proposition 64 (The Adult Use of Marijuana Act), which legalized cannabis in California. The deadline to pass permanent state regulations governing the cultivation, manufacture, distribution, testing and sales of cannabis was January 1, 2018.

On November 8, 2016, Watsonville voters passed Measure L. the Watsonville Marijuana Business Tax 74.2% to 25.8%.

On December 13, 2016, the City Council adopted Ordinance 1345-16, adding a new Chapter 52 (Cultivation, Processing, Manufacture, Distribution, Testing and Sale of Nonmedical Cannabis) of Title 14 (Zoning) of the Watsonville Municipal Code. The

purpose of the ordinance was to make clear to prospective businesses that commercial recreational cannabis activities are not allowed in the City.

On April 25, 2017, the City Council adopted Ordinance 1352-17, adding a new Chapter 14-53 to the Watsonville Municipal Code. The purpose of this ordinance was to permit and regulate medical cannabis cultivation and manufacturing within the City. Recreational or “adult-use” cannabis continued to be prohibited in the City.

On December 7, 2017 the California State Bureau of Cannabis Control adopted emergency regulations to clarify and make specific licensing and enforcement criteria for commercial cannabis businesses under the Medicinal and Adult-Use Regulation and Safety Act (MAUCRSA or the Act).

On January 1, 2018, the state [Medicinal and Adult-Use Cannabis Regulation and Safety Act](#) (codified at §§ 26000 of the California Business and Professions Code) became effective. This law rescinded the December 7, 2017 emergency regulations.

On January 16, 2018, the Council adopted Ordinance 1362-18 ([codified at WMC 14-53 101 et seq](#)) which allowed cultivation and manufacture of cannabis for the adult-use market, and rescinded Ordinance 1361-18 which prohibited recreational cannabis. These changes became effective on March 15, 2018.

On March 13, 2018, the Council adopted Ordinance 1364-18 which allowed existing cultivation and manufacturing facilities to distribute cannabis for the adult-use market. This amendment became effective April 26, 2018.

PROCESS:

Section 907 of the City Charter calls for the Planning Commission to make recommend to the Council any proposal to amend or repeal any part of the Zoning Ordinance (Title 14) of the Watsonville Municipal Code.

DISCUSSION:

When the City adopted the first cannabis ordinance (Ordinance 1345-16) in late 2016, the goal was to start small and allow cultivation only. Over the last 3 years, this has grown to include manufacturing and distribution as well. Now that permanent state regulations have been adopted, staff has drafted a comprehensive cannabis ordinance that regulates cultivation, manufacturing, distribution, testing, and retail sales.

Staff has met with the current Watsonville cannabis facility permittees over the last 6 months to understand the needs of our existing businesses as we consider modifications to the cannabis ordinance. Staff has also met with our prevention partners to understand the current trends regarding cannabis use and prevention, and the impacts that cannabis legalization have had on the Watsonville community.

The Ordinance is divided into five parts, intended to correspond roughly with the way permits are considered: 1. General; 2. Application; 3. Findings, 4. Conditions and 5. Enforcement. Definitions are for the most part borrowed from State law.

Based on the listening sessions and consideration of the [Medicinal and Adult-Use Cannabis Regulation and Safety Act](#) new, staff developed a draft ordinance, of which major points were brought to the City Council for review and direction on November 12, 2019. After direction was given by City Council, staff further refined the draft ordinance. The major changes to the draft ordinance address:

1. Addition of retail sales, testing, distribution and delivery
2. Number of cannabis licenses to allow
3. Maximum square footage increase for cultivation
4. Allow cultivation license to be located on more than one parcel
5. Processing and nursery licenses
6. Non-storefront delivery for existing manufacturers and cultivators
7. Calculation of distance requirements
8. Allow multiple licenses per parcel
9. Allowable zoning districts
10. Employee background checks

1. Number of cannabis licenses to allow

The current ordinance allows 6 cultivation licenses and 9 manufacturing licenses. Distribution licenses have only been issued to existing cultivation or manufacturing facilities. The ordinance allows:

Type of Business	# of Licenses
Cultivation	6 (with increased square footage)
Manufacturing	15
Distribution	2 stand alone
Testing	Unlimited
Retail	3, with delivery
Non-Storefront Retail (delivery)	Allowed for existing manufacturers/ cultivators in City to sell their own products under a Type 13 (non-storefront retail license)

2. Maximum square footage increase for cultivation

The current ordinance allows cultivation up to 5,000 square feet. The State regulations allow indoor cultivation up to an acre, with licenses available for 5,000, 10,000, and 22,000 square feet of indoor cultivation area.

The draft ordinance will allow cultivation of up to 22,000 square feet in area. During interviews with cannabis facility owners, it was found that cannabis grown indoors is more valuable than cannabis grown in the open or in greenhouses, and therefore

allowing our current cultivators the ability to expand the allowable cultivation square footage will allow their brand to be more available and competitive statewide.

3. Allow cultivation license to be located on more than one parcel

Many of our existing cultivation businesses do not have room to expand to a 22,000 square foot canopy, and some have requested that the City consider allowing 1 cultivation license to be spread over two Santa Cruz County Assessors parcel numbers. For instance, a cultivation business may have an existing 5,000 square foot facility on West Beach Street, but no room to add cultivation area at that location. They might have the option to increase their cultivation area by securing a second location, with a permit.

4. Processing/Nursery licenses

The state issues licenses for processing and nurseries separately, even though they are both subsets of cultivation. Staff recommends that the City continue to permit processing and nurseries as part of a cultivation license. Any nursery license would be included in the total 22,000 square feet of allowable cultivation area under a local permit.

5. Delivery

Per state law, any licensed retail business with a delivery license may deliver cannabis products in Watsonville City limits. Staff recommends that the City allow local retail storefront dispensaries to deliver cannabis, as well as allow non-storefront delivery licenses for our cultivation and manufacturing businesses, so that they may deliver their product directly to customers without a retail storefront. This will allow all our local businesses the opportunity for a limited amount of retail sales and to get their products into the local market.

6. Calculation of separation requirements

The current ordinance requires a property line to property line separation requirement for all cannabis uses. This separation distance was put in place to ensure that there were not conflicts between cannabis facilities and their neighbors. What we've discovered over the last 3 years is that the only type of cannabis business that has any need to be separated from residential and sensitive uses are cultivation facilities, due to their inherent odor. Even with high tech odor-removing equipment, cannabis can be detected off-site.

In looking at maps of potential retail, distribution, manufacturing and expanded cultivation facilities with the current separation requirements, staff realized that there are severe limitations on where any of these additional facilities might be able to locate.

In order to allow for additional locations to establish cannabis facilities, the draft ordinance has been modified as follows:

Separation Requirements:

	Cultivation ¹	Manufacture ¹	Distribution ¹	Testing ¹	Retail ¹
School (K-12) ²	600'	600'	600'	600'	600'
Park	600'	600'	600'		600'
Residential zone	250'	250'	250'		250'
Legal residential use	100'	100'	100'		100'
Faith-based facility, licensed daycare, preschool or library	600'	600'	600'		600'

¹ Separation distance for cultivation facilities shall be measured from parcel line of sensitive use to nearest wall of cultivation facility. Separation distance for all other cannabis facilities shall be measured by path of travel from nearest parcel line of sensitive use to the front door of the cannabis facility.

² Separation distance from k-12 schools shall be measured from property line to property line.

The draft ordinance includes 3 ways to measure distance:

- For all facilities, property line to property line measurement from schools
- For cultivation, property line of sensitive use to nearest wall of cannabis facility
- For all other cannabis facilities, path of travel from sensitive use to main door of the cannabis facility

Please refer to Attachments 1, 2, And 3 (existing separation map and proposed separation map) for a graphic illustration of the potentially allowable areas for cultivation facilities.

7. Allow multiple licenses per parcel

When the cannabis ordinance was first adopted, staff had concerns that cultivation facilities would cluster on a few large industrial parcels in the City, and therefore the first ordinance did not allow multiple cannabis businesses on one parcel.

We now see that in some instances it may be more advantageous for different cannabis businesses to be located near each other and in some cases on the same property. There may be advantages in the future for unrelated cannabis businesses to share space, such as a commercial kitchen, to reduce the costs for developing infrastructure. Staff proposes allowing multiple cannabis businesses to be located on one parcel.

8. Allowable zoning districts

Cannabis manufacturing, distribution, and cultivation are limited to the General Industrial and Industrial Park zoning districts. Staff recommends that retail dispensaries be allowed in the Thoroughfare Commercial, and Visitor Commercial Zoning districts. Staff originally proposed allowing retail dispensaries in the Neighborhood Shopping center zoning district, however after discussions with

prevention partners, it was decided that shopping centers were not appropriate locations for dispensaries in Watsonville.

It has become common to see retail cannabis dispensaries in retail commercial areas in other cities. By its nature, a cannabis dispensary is a retail commercial use, and staff believes that the correct location for a retail dispensary in Watsonville would be in a retail commercial zone, but not in the historic downtown core or in the neighborhood commercial areas.

Large swaths of Main Street (outside of the downtown) and Freedom Boulevard corridors are zoned Thoroughfare Commercial. The Visitor Commercial zoning district is smaller, but is located in retail pockets in the City including the corner of Green Valley Road and Main Street, and West Beach Street. However, the proposed distance requirements would eliminate the corner of Green Valley Road and Main Street, due to the proximity to residential zones.

9. Employee background checks

The current cannabis ordinance requires background checks and ID badges for every owner, manager, and employee of a cannabis business. The background check process can take anywhere from a few weeks to months, depending on how busy the Department of Justice is. Because many of the positions in a cannabis facility can be entry-level, with high turnover, waiting weeks to months to determine whether an employee has a clean record has been detrimental to the company.

State law only requires background checks for owners and managers. The ordinance has been modified to require background checks for owners and managers only, and lets the cannabis business owners and managers decide how they will determine the criteria to use in making hiring decisions.

CONCLUSION:

Based on input from our local cannabis facility owners and the prevention community, the proposed modifications to the Cannabis Ordinance will provide for a comprehensive regulatory program for all types of cannabis businesses in Watsonville. The modifications provide opportunity for the existing cannabis facilities to expand in a very competitive market while providing opportunities for new cannabis manufacturing, testing, distribution, and retail facilities to be established with safeguards that will prevent such facilities from negatively impacting the community.

ATTACHMENTS:

1. Map showing current separation requirements for cannabis facilities
2. Map showing potentially available locations for cannabis cultivation facilities
3. Map showing potentially available locations for cannabis manufacturing, retail, and distribution facilities

Medical Cannabis
Facility
Separation
Requirements
2017



City of Watsonville

Motto: "Opportunity Through Diversity; Unity Through Cooperation"

Legend

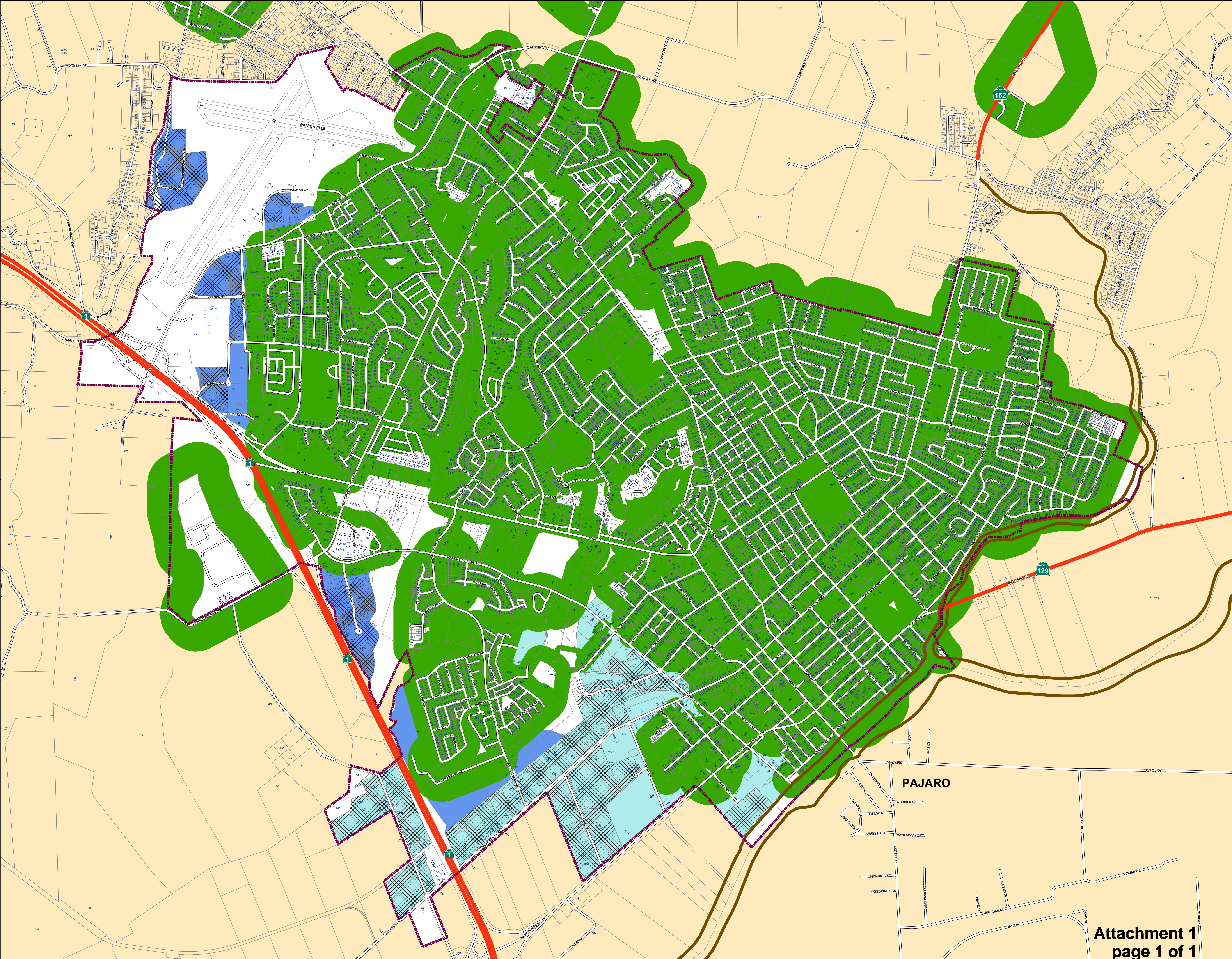
- City Streets
- Highway 1
- Levee
- Parcels
- Zoning
 - IG: General Industrial
 - IP: Industrial Park
 - Separation Buffer*
 - Potential Cannabis Facility
 - Watsonville City Limit

* Separation Buffer Criteria:
> 600' from: Schools (K-12), City Parks, Faith Based Facility, Preschools, Libraries, and Licensed Child Care Centers
> 300' from: Residential Zones
> 100' from: Legal Residential Use



1 inch = 800 feet
400 0 400 800 1200 1600
Feet

Prepared by Watsonville GIS Center 7/26/2017 (CDD1548).
This Document is a graphic representation using the best currently available sources.
The City of Watsonville assumes no responsibility for any errors.



Medical Cannabis
Cultivation Facility
Separation
Requirements
2019



City of Watsonville

Motto: "Opportunity Through Diversity; Unity Through Cooperation"

Legend

City Streets

Highway

Levee

Parcels

Zoning Designation

IG: General Industrial

IP: Industrial Park

Separation Buffer*

MMJ Cultivation Allowed

Possible Cultivation Site

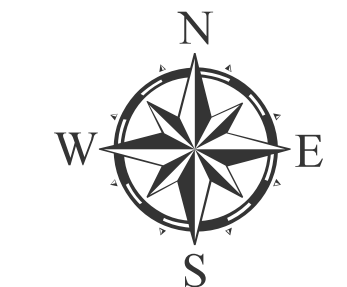
Detailed Analysis Needed

Industrial Buildings 2007

Outside of Separation Buffer

Watsonville City Limit

* Separation Buffer Criteria:
> 600' from: Schools (K-12), City Parks, Faith Based Facility, Preschools, Libraries, and Licensed Child Care Centers
> 250' from: Residential Zones
> 100' from: Legal Residential Use

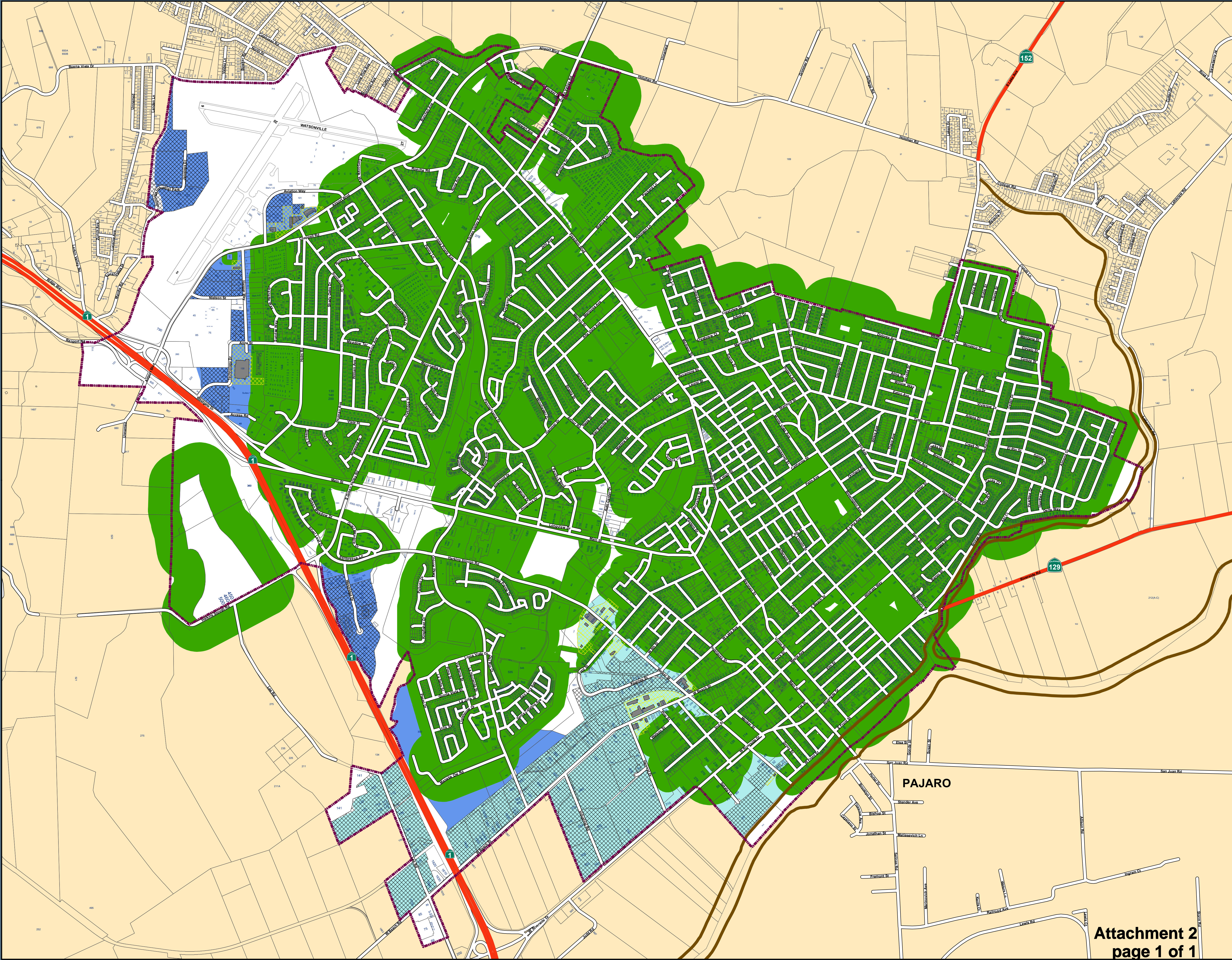


1 inch = 800 feet

400 0 400 800 1200 1600

Feet

Prepared by Watsonville GIS Center 12/05/2019 (CDD1548).
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The City of Watsonville assumes no responsibility for any errors.



Potential Medical Cannabis Facility Sites



City of Watsonville

Motto: "Opportunity Through Diversity; Unity Through Cooperation"

Legend

- City Streets
- Highway
- Levee
- Parcels

Zoning

Potential Manufacturing Sites

- IG: General Industrial
- IP: Industrial Park

Potential Retail Sites

- CNS: Neighborhood Shopping Center
- CT: Thoroughfare Commercial
- CV: Visitor Commercial

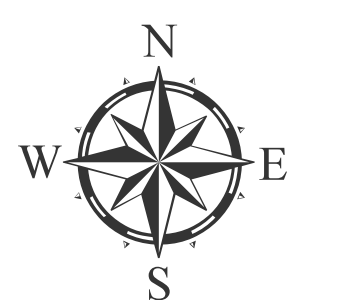
MMJ Separation Requirements 2019

- Path of Travel

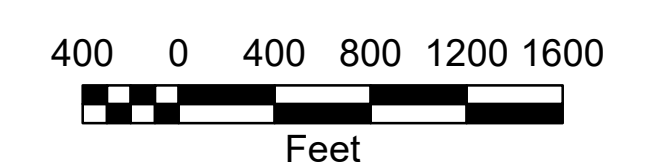
Possible MMJ Facility

- Site Requires Detailed Analysis
- Watsonville City Limit

*** Separation Buffer Criteria:**
 > 600' from: Schools (K-12), City Parks, Faith Based Facility, Preschools, Libraries, and Licensed Child Care Centers
 > 250' from: Residential Zones
 > 100' from: Legal Residential Use

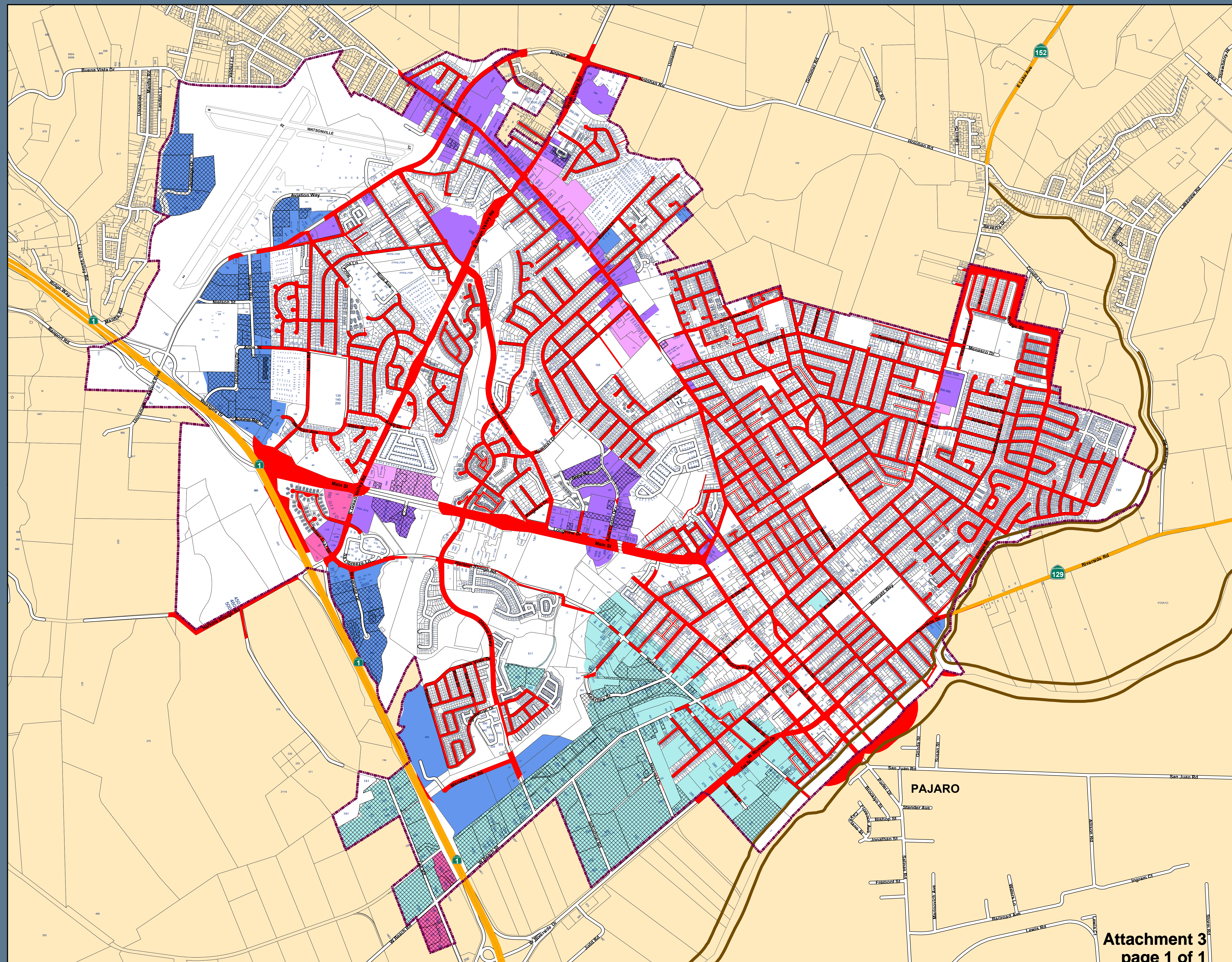


1 inch = 800 feet



Prepared by Watsonville GIS Center 12/03/2019 (CDD1548).

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PLANNING COMMISSION

RESOLUTION NO. _____ - 20 (PC)

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, RECOMMENDING TO THE CITY COUNCIL ADOPTION OF TEXT AMENDMENTS TO TITLE 14 (ZONING) OF THE WATSONVILLE MUNICIPAL CODE, AMENDING CHAPTER 14-16 (DISTRICT REGULATIONS) AND CHAPTER 14-53 (CANNABIS FACILITIES) FOR THE REGULATION OF CANNABIS BUSINESSES LOCATED WITHIN THE CITY

WHEREAS, On November 9, 2016, California voters passed Proposition 64 (The Adult Use of Marijuana Act), which legalized cannabis in California. The deadline to pass permanent state regulations governing the cultivation, manufacture, distribution, testing and sales of cannabis was January 1, 2018; and

WHEREAS, On November 9, 2016, California voters passed Proposition 64 (The Adult Use of Marijuana Act), which legalized cannabis in California. The deadline to pass permanent state regulations governing the cultivation, manufacture, distribution, testing and sales of cannabis was January 1, 2018; and

WHEREAS, On December 7, 2017 the California State Bureau of Cannabis Control adopted emergency regulations to clarify and make specific licensing and enforcement criteria for commercial cannabis businesses under the Medicinal and Adult-Use Regulation and Safety Act (MAUCRSA or the Act); and

WHEREAS, On December 13, 2016, the City Council adopted Ordinance 1345-16, adding a new Chapter 52 (Cultivation, Processing, Manufacture, Distribution, Testing and Sale of Nonmedical Cannabis) of Title 14 (Zoning) of the Watsonville Municipal Code. The purpose of the ordinance was to make clear to prospective businesses that commercial recreational cannabis activities are not allowed in the City; and

WHEREAS, On April 25, 2017, the City Council adopted Ordinance No. 1352-17, adding a new Chapter 14-53 to the Watsonville Municipal Code. The purpose of this ordinance was to provide regulations for both medical cannabis cultivation and manufacturing within the City. Recreational or “adult-use” cannabis continued to be prohibited in the City; and

WHEREAS, On January 1, 2018, the state Medicinal and Adult-Use Cannabis Regulation and Safety Act became effective. These permanent regulations rescinded the emergency regulations adopted in 2017; and

WHEREAS, On January 16, 2018, the City Council adopted Ordinance No. 1362-18 which allowed for the cultivation and manufacture of cannabis for the adult-use market, and rescinded Ordinance No. 1361-18 which prohibited recreational cannabis in the City. These two modifications became effective on March 15, 2018; and

WHEREAS, On March 13, 2018, the City Council adopted Ordinance No. 1364-18 which allowed for existing cultivation and manufacturing facilities to distribute cannabis for the adult-use market. This amendment became effective April 26, 2018; and

WHEREAS, City staff has worked with Community Prevention Partners and the cannabis business community to develop a revised draft of WMC Chapter 14-53 regarding cannabis uses that addresses both economic vitality and community safety; and

WHEREAS, the modifications require amendments to WMC Chapter 14-16 (District Regulations) to identify those zoning districts where cannabis related uses may be allowed; and

WHEREAS, the Planning Commission has conducted a public hearing in

accordance with Part 10 of WMC Chapter 14-10, considered all written and verbal evidence regarding the proposed Zoning Code text amendments, and made the following findings to recommend approval of the Ordinance text to the City Council per WMC Section 14-12.807:

- (a) That the proposed Zoning Code text amendment is consistent with the policies embodied in the General Plan, in that the Ordinance allows the City to facilitate economic vitality while ensuring the continued safety of the community regarding the cultivation, manufacture, distribution, testing, delivery and retail sales of cannabis.
- (b) That the proposed Zoning Code text amendment is compatible to the extent possible with the actual and general planned use of the adjacent properties, in that the Ordinance includes a thorough application process to ensure that those businesses who wish to cultivate, manufacture, test, distribute, sell and/or deliver cannabis will be responsible to ensure that such uses are conducted safely, in compliance with local and state regulations, and kept out of the hands of Watsonville's youth.

WHEREAS, the Planning Commission has found that the proposed Zoning Code text amendment is exempt from the California Environmental Quality Act (CEQA), in that the action is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Each application for an alcohol related business will be subject to CEQA compliance.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Watsonville, California, as follows:

Good cause appearing, therefore, the Planning Commission of the City of

Watsonville does hereby recommend the City Council adopt an Ordinance amending Titles 14 (Zoning) amending Chapter 14-16 (District Regulations), and Chapter 14-53 (Cannabis Facilities) of the Watsonville Municipal Code regarding cannabis related businesses in the City. The proposed Zoning Code text amendment language is attached as Exhibits “A” and “B.”

I HEREBY CERTIFY that the foregoing Resolution was introduced at a regular meeting of the Planning Commission of the City of Watsonville, California, held on the 14th day of January, 2020, by Commissioner_____, who moved its adoption, which motion being duly seconded by Commissioner_____, was upon roll call, carried and the resolution adopted by the following vote:

Ayes: Commissioners:

Noes: Commissioners:

Absent: Commissioners:

Suzi Merriam, Secretary
Planning Commission

Jenni Veitch Olson, Chairperson
Planning Commission

EXHIBIT “A”

**CITY OF WATSONVILLE
PLANNING COMMISSION**

14-16 District Regulations

Part 5: IP—Industrial Park District

14-16.503 Conditional uses.

(a) The following uses require an Administrative Use Permit:

		temporary buildings, structures, storage areas, or office uses in conjunction with a valid building permit application for remodeling or new construction
DLU	115	Cannabis distribution facility (Type 11 license)
	115	Type 13 cannabis delivery for cultivation/manufacturing facilities only
	2	Cannabis manufacturing (Type 6 or 7 license) volatile and/or non-volatile solvents
	6291	Cannabis testing lab (Type 8 license)

(b) The following uses require a Special Use Permit:

DLU	114	Mini-warehouses, household goods
	129	Wholesale sales
	51	Service station
	547	Delicatessens
	581	Restaurants and coffee shops Exclusion: Drive-through facilities
	5811	Restaurant with bar
	5811	Restaurant with beer and wine sales
	5811	Restaurant with liquor sales
	608	Bank service centers
	659 and 7924	Health and fitness centers and related facilities
	6801	Hotel
	6802	Motel
	724	Day care centers
		Any building exceeding thirty-five (35') feet in height
		Electrically charged security fence
		Temporary mobile office
	4811	Telecommunications sites
	4812	Telecommunications facilities
GLU	91	Indoor cultivation of cannabis, up to five thousand (22,000) square feet (Type 1A, 2A or 3A license)

DLU	50	Retail cannabis facility (Type 9 or 10 license) only
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Part 6: IG—General Industrial District

14-16.603 Conditional uses.

(a) The following uses require an Administrative Use Permit:

		temporary buildings, structures, storage areas, or office uses in conjunction with a valid building permit application for remodeling or new construction
DLU	115	Cannabis distribution facility (Type 11 license)
	115	Type 13 cannabis delivery for cultivation/manufacturing facilities only
	2	Cannabis manufacturing (Type 6 or 7 license) volatile and/or non-volatile solvents
	6291	Cannabis testing lab (Type 8 license)

(b) The following uses require a Special Use Permit:

GLU	15	Minerals and petroleum, wholesale
	28	Chemicals and allied products
	29	Petroleum products refining and storage
	40	Railroad transportation

	41	Transit, local and suburban
	42	Motor freight transportation
	43	Right-of-way transportation
	44	Water transportation
	45	Air transportation
	46	Pipeline transportation
	47	Utilities, R/W
	48	Communication
	49	Electric, gas, and sanitary service
	4811	Telecommunications sites
	4812	Telecommunications facilities
DLU	51	Service station
	551	Motor vehicle dealers—new and used
	552	Used car sales and display
	555	Recreation vehicles and mobile homes, sales and displays
	5811	Restaurant
	5811	Restaurant with beer and wine sales
	5811	Restaurant with liquor sales
	5811	Restaurant with bar
	5812	Eating and drinking places Exclusions: drive-through facilities
	5814	Donuts/pastry shops
	618	Cabinet or furniture, custom manufacturing
	6193	Equipment rental and leasing

		services
	6212	Outdoor advertising company
	624	Service to buildings, machinery, and property
	6297	Automatic merchandising companies
DLU	63	Automotive repair, services, and garages
	64	Repair services, miscellaneous
	651	Dance studio
	6791	Artist studio
	692	Utility company offices
	715	Industrial trade school
	731	City garage
	733	Fire station
	734	Police station
	78	Armory
	7911	Business and trade organization
	7913	Labor union office
GLU	91	Indoor cultivation of cannabis up to five thousand (22,000) square feet (Type 1A, 2A or 3A license)
DLU	50	Retail cannabis facility (Type 9 or 10 license) only

Part 12: CT — Thoroughfare Commercial District

(b) The following uses require a Special Use Permit:

GLU	
04	Multi-family dwellings, not constructed in conjunction with another use
07	Dormitory
09	Single-family residential in conjunction with the following: GLU: 50, 52, 53, 54, 58, 59, 60, 61, 62, 64, 65, 66, 67, 68, 77, and 79
113	Frozen food lockers, retail
114	Mini warehouses, household goods
1633	Utility company storage yards
17	Contractors offices
191	Feed stores, retail
192	Fuel and ice dealers, retail
193	Laundries and cleaning and dyeing plants
197	Veterinarian hospitals and clinics~Exclusions: Outdoor kennels
27	Printing, publishing, and reproduction
50	Retail cannabis facility (Type 9 or 10 license) only
51	Service stations, gasoline, single use subject to criteria and standards
552	Automotive outdoor sales lots
555	Automotive trailer sales
556	Boat dealer sales
581	Eating places offering live entertainment and dance or drive-through facilities

59	Retail stores~Exclusions: 5941
63	Automotive repair, services, and garages subject to criteria and standards
65	Commercial amusement and recreation services~Exclusions: 6541 and 6542
69	Commercial vacant and temporary uses and buildings
85	Commercial recreation facilities
4811	Telecommunications sites
02	Accessory dwelling unit
DLU	
541	Convenience store with beer and wine sales
541	Convenience store with liquor sales
541	Grocery store with liquor sales
5811	Restaurant with bar
DLU	
5811	Restaurant with liquor sales
582	Bar~Exclusion: 5823
592	Liquor store
6144	Body Art Facilities

Part 15: CO—Office District

14-16.1503 Conditional uses.

- (a) The following uses require an Administrative Use Permit:

DLU	6291	Cannabis testing lab (Type 8)
-----	------	-------------------------------

		license)
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(b) The following uses require a Special Use Permit:

DLU	197	Veterinary hospitals and clinics Exclusions: kennels
	2082	Brewpub
	4119	Ambulance firms
	48	Communication
	5811	Restaurant
	5811	Restaurant with beer and wine sales
	5811	Restaurant with liquor sales
	5811	Restaurant with bar
	6149	Instruction schools
	616	Mortuaries
	628	Vocational schools, commercial
	736	Health clinics
	75	Hospitals
	7924	Athletic clubs

Part 16: CV—Visitor Commercial District

DLU	50	Retail cannabis facility (Type 9 or 10 license) only
	54	Food, retail~Exclusions: 5491

	541	Convenience store with beer and wine sales
	541	Convenience store with liquor sales
	56	Apparel and accessories, retail
	581	Eating places offering live entertainment or dances or with drive through facilities
	5811	Restaurant with bar
	5811	Restaurant with liquor sales
	582	Bar
	592	Liquor stores
	632	Automobile parking, public
	6341	Automobile car wash
	654	Motion picture theaters~Exclusions: 6541 and 6542
	655	Outdoor recreation facilities
	656	Amusement parks, commercial
	657	Amusement parks, commercial and recreational facilities, indoors, commercial
	68	Transient accommodations
	853	Recreation, commercial
	854	Parks, resorts, commercial

EXHIBIT “B”

CITY OF WATSONVILLE PLANNING COMMISSION

WHEREAS, if cannabis facilities and cultivation were permitted to be established or if existing businesses were permitted to distribute, sell or cultivate cannabis without appropriate regulation, such uses might be established in areas that would conflict with the requirements of the General Plan, be inconsistent with surrounding uses, or be detrimental to the public health, safety and welfare and

WHEREAS, the Council desires to enact an ordinance regulating cannabis facilities and cultivation so Watsonville residents may have safe and convenient access to cannabis, while ensuring that such uses do not conflict with the General Plan, are not inconsistent with surrounding uses, and are not detrimental to the public health, safety and welfare; and

WHEREAS, the Council and to mitigate the negative impacts and secondary effects associated with cannabis business activities including, but not limited to, demands placed on law enforcement and administrative resources, neighborhood disruptions; the exposure of children to cannabis; drug sales to minors and adults; robberies, burglaries; assaults; and other violent crimes. Cannabis facilities shall be permitted, upon application and approval of a regulatory permit in accordance with the criteria and procedures set forth in this code.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WATSONVILLE,
CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

SECTION 1. ENACTMENT.

Title 14 (Zoning) is hereby amended by repealing Chapter 53 (Medical Cannabis Facilities) in its entirety and adding a new Chapter 53 (Cannabis Facilities) of the Watsonville Municipal Code to read in words and figures as follows:

o-0-o

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CHAPTER 53 CANNABIS FACILITIES

Article 1. General Provisions

Sec. 14-53.101 Purpose and intent.

(a) It is the purpose and intent of this Chapter to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act [Senate Bill 94, Approved by Governor June 27, 2017, filed with California Secretary of State on June 27, 2017] (hereafter “MAUCRSA”) to accommodate the needs of medically-ill persons in need of cannabis for medicinal purposes as recommended by their health care provider(s), and to provide access to same.

(b) It is also the purpose and intent of this Chapter to provide access to adult-use cannabis for persons aged 21 and over as authorized by the Control, Tax & Regulate the Adult Use Cannabis Act (“AUMA” or “Proposition 64” approved by California voters in 2016), while imposing sensible regulations on the use of land to protect the City’s residents, neighborhoods, and businesses from disproportionately negative impacts. As such,

(c) It is the purpose and intent of this Chapter to regulate the cultivation, processing, manufacturing testing, sale, delivery, distribution and transportation of cannabis and cannabis products in a responsible manner to protect the health, safety,

and welfare of the residents of the City of Watsonville and to enforce rules and regulations consistent with state law.

(d) It is the further purpose of intent of this Chapter to require all commercial cannabis operators to obtain and renew annually a permit to operate within the City of Watsonville.

(e) Nothing in this Chapter is intended to authorize the possession, use, or provision of cannabis for purposes that violate state law.

(f) The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses and approval required under state, City, or other law.

Sec. 14-53.102 Legal Authority.

Pursuant to [Sections 5 and 7 of Article XI of the California Constitution](#), the provisions of MAUCRSA any subsequent state legislation and/or regulations regarding same, the City of Watsonville is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial cannabis activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City of Watsonville to all commercial cannabis activity.

Sec. 14-53.103 Definitions.

The following definitions shall apply to this Ordinance

(a) The definitions promulgated for the California Cannabis Cultivation Program in Section 8000 of the California Department of Food and Agriculture 3 CCR 8000.

(b) The definitions promulgated by the California Bureau of Cannabis Control 16 CCR 5000.

(c) Cannabis Use Permit shall mean a Cannabis administrative use permit for commercial cannabis activity from the Zoning Administrator pursuant to this chapter or a Cannabis special use permit for commercial cannabis activity from the Planning Commission pursuant to this chapter.

(d) “Facility” shall mean any building or structure used for or related to the cultivation, processing or manufacturing of cannabis.

(e) Manager means a person who participates in the direction, control, or management of a permittee.

(f) Owner means a person a person with an ownership interest in the permittee

(g) Permittee means a person issued a Cannabis use permit under this chapter to engage in commercial cannabis activity

Sec. 14-53.104 Cannabis Use Permit required to engage in cannabis business.

(a) A Cannabis use permit is required before engaging in commercial cannabis activity in the City.

(b) An application for a Cannabis use permit shall include the information prescribed by the Zoning Administrator.

(c) All application fees shall be paid when the application is submitted.

Sec. 14-53.105 Zoning number and location.

(a) Cannabis use permit classifications are as follows:

Use Permit Type	Activity	Description
1A	Cultivation;	Indoor. Up to five thousand (5,000) square feet of canopy space
2A	Cultivation;	Indoor. Five thousand one (5,001) to ten thousand (10,000) square feet of canopy space.
3A	Cultivation;	Cultivation; Indoor. Ten thousand one (10,001) to twenty two thousand (22,000) square feet of canopy space.
6	Manufacture	1 for products not using volatile solvents.
7	Manufacture	Manufacturer 2 for products using volatile solvents.
8	Testing Laboratory	
10	Retailer	General
10A	Retailer	No more than three (3) retail sites
11	Distribution	
13	Distribution	non-storefront delivery only. Only those cultivation and/or manufacturing permittees holding a valid City Use Permit shall be eligible to obtain a Type 13 Cannabis use permit.

(b) Administrative Cannabis Use Permits and Special Cannabis Use Permits

shall only be permitted in the IP, IG, CT, CO or CV districts as set forth below.

Use	IP (Industrial Park)	IG (General Industrial)	CT (Thoroughfare Commercial)	CO (Office Commercial)	CV (Visitor Commercial)
Type 1A, Cultivation, indoor, up to 5,000 sf	SUP	SUP	X	X	X
Type 2A, Cultivation, indoor, up to 10,000 sf	SUP	SUP	X	X	X
Type 3A, Indoor, between 10,001 and 22,000 sf	SUP	SUP	X	X	X
Type 6, Manufacturer 1, for products not using volatile solvents	AUP	AUP	X	X	X

Type 7, Manufacturer 2, for products using volatile solvents	AUP	AUP	X	X	X
Type 8, Testing	AUP	AUP	X	AUP	X
Type 9 and 10, Retail, general	SUP	SUP	SUP	X	SUP
Type 11 and 13, Distribution	AUP	AUP	X	X	X

SUP= Special Use Permit

AUP= Administrative Use Permit

X=Prohibited

(c) Any Cannabis use permit shall automatically terminate if business activity ceases for ninety (90) days or more.

(d) The number of cannabis facilities in the City shall not exceed:

Cannabis Use Permit Type	Maximum Facilities Allowed
Type 1A, 2A, or 3A (Cultivation)	6
Type 6 or 7 (manufacturing)	15
Type 8 (testing)	No limit
Type 9 or 10 (retail)	3
Type 11 (distribution)	2
Type 13 (distribution, non-storefront delivery)	Only allowed for existing cultivation/manufacturing facilities

(e) A business entity may have only one of each of the following Cannabis use permits.

License Type	Description
1A, 2A, or 3A	cultivation
6 or 7	manufacturing
9 or 10	retail
11 or 13	distribution

(f) Businesses with Cannabis use permits for cultivation may cultivate cannabis on no more than two parcels (separate Santa Cruz County Tax Assessor parcel numbers). A second parcel shall be require approval of a Major Modification (per

WMC Section 14-12.1000) of any existing Cannabis use permit and shall pay additional fees for approval and annual renewal.

Separation Requirements:

	Cultivation ¹	Manufacture ¹	Distribution ¹	Testing ¹	Retail ¹
School (K-12) ²	600'	600'	600'	600'	600'
Park	600'	600'	600'		600'
Residential Zone	250'	250'	250'		250'
Legal Residential Zone	100'	100'	100'		100'
Faith based facility, licensed daycare, preschool or library	600'	600'	600'		600'

Sec. 14-53.106 Cannabis Use Permit Pre-Application Procedure.

When the number of active Cannabis use permits is less than the number of Cannabis use permits allowed, the Zoning Administrator shall advertise in at least one newspaper of general circulation and post on the City's website an announcement that the City will accept applications for Cannabis use permit(s). The notice shall identify the City's application webpage, requirements, application deadline(s), and contact information for questions.

(a) Applicants shall be subject to a competitive, merit-based review process to determine eligibility to apply for a Cannabis use permit.

¹ Separation distance for cultivation facilities shall be measured from parcel line of sensitive use to nearest wall of cultivation facility. Separation distance for all other cannabis facilities shall be measured by path of travel from nearest parcel line of sensitive use to the front door of the facility.

² Separation distance from K-12 schools shall be measured from property line to property line.

- (b) A pre- application for a cannabis use permit shall be submitted by the applicant.
- (c) The pre-application and any subsequent Cannabis use permit application(s) shall be processed as provided in this chapter
- (d) The Zoning Administrator shall determine an appropriate period of time in which to allow the submittal of pre-applications to the Zoning Administrator. All pre-applications must be complete and include payment of a pre-application fee.
- (e) After the closure of the pre-application period, City staff shall review and score all pre-applications. Staff shall schedule interviews with three more applicants than the number of Cannabis use permits available.
- (f) A selection committee consisting of representatives for the Police Chief, Fire Chief, Community Development Director and City Manager and an independent third-party cannabis consultant shall convene to interview applicants. The selection committee shall review the applications and interview the applicants. The pre-applications determined to best meet the community's needs shall be asked to submit an application a Cannabis use permit.
- (g) If the interview panel approves any pre-application, the applicant shall then submit a cannabis use permit application to the Community Development Department for consideration.

Sec. 14-53.107 Cannabis Use Permit Application Procedure.

- (a) The Zoning Administrator shall determine and provide submittal requirements and instructions for completing Cannabis use permit applications.
- (b) Cannabis use permit applicants shall provide at a minimum the following:

(1) the identity of the applicant entity with comprehensive ownership and control information including but not limited to: shareholders, board of directors, officers, partners, executives and managers'

(2) a description of the proposed site and a location of the proposed commercial cannabis activity within the site.

(3) a business plan,

(4) a safety, security, and records maintenance and retention plan.

(5) an odor control plan.

(6) a neighborhood compatibility plan,

(7) conceptual security plan

(8) signed statement of indemnification

(9) any additional information requested by the Zoning Administrator to determine eligibility

Sec. 14-53.108 Evidence of Cannabis Background Check Required.

(a) An applicant for a Cannabis use permit must be legally authorized for commercial cannabis activity under state law.

(b) All applicants shall provide the Zoning Administrator with evidence of submittal of a livescan criminal background check for all owners, manager in their employ.

(c) The criminal background checks completed by commercial cannabis business employers must at a minimum identify the following:

(1) Whether the applicant has ever been convicted of a violent felony as defined by California Penal Code 667.5, or equivalent offenses in other states;

(2) Whether the individual applying for a cannabis use permit has ever been convicted of a felony involving dishonesty, fraud or deceit, including but not limited to fraud, forgery, theft, or embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, respectively; or equivalent offenses in other states; or

(3) Whether the individual applying for a cannabis use permit has ever been convicted of a felony, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, not including cannabis-related offenses for which the conviction occurred before the passage of the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”).

(d) Evidence of a conviction of any the offenses enumerated in Section 14-53.108 shall be grounds for denial of a use permit.

Sec. 14-53.109 Approval of Cannabis Use Permit.

Approval of a Cannabis Use Permit shall be contingent on the following:

(a) Applicant must have been identified as a potential Cannabis Use Permit holder through the Pre-Application process; and

(b) Approval of a Cannabis Use Permit within six months of selection as a potential Cannabis use permit; and

(c) Obtaining all necessary state license(s) within six months of selection to the applicant.

If the above items have not been satisfied, the Cannabis Use Permit shall automatically expire.

Sec. 14-53.110 Fees and Charges.

Before operating in the City, the permittee shall timely and fully pay all fees. The fees shall be as set forth in the schedule of fees and charges established by resolution of the City Council, including, but not limited to, the following:

(a) A Cannabis use permit application fee is due and payable in full when a Cannabis use permit application is submitted;

(b) A Cannabis use permit renewal fee is due and payable in full when a Cannabis use permit renewal application is submitted to the City for processing a Cannabis use permit renewal application.

(c) Any fees for inspection, auditing or investigation that are not included within the other fees associated with a Cannabis use permit application or a Cannabis use permit renewal application.

Sec. 14-53.111 Change in Location.

(a) A Cannabis Use Permit does not run with the land. It is personal to the permittee. A permittee may apply to relocate contingent upon first obtaining a new Cannabis use permit for the new location, and approval from the state licensing agency for the new location. The process and the fees for re-location shall be the same as the process and fees in Section [14-53.104](#).

(b) Within fifteen (15) calendar days of any change in information provided in the application for a Cannabis use permit or any change in status of compliance with the provisions of this chapter, including any change in the applicant's ownership or control, , the permittee shall file an application for a new Cannabis use permit with the Zoning Administrator and pay the applicable Cannabis use permit fee.

(c) A permittee may change the form of its business entity without upon application to the Zoning Administrator if membership of the new business entity is substantially similar to the original permittee, owner and managers.

If the original permittee is an unincorporated association, mutual or public benefit corporation, agricultural or consumer cooperative and transitions to or forms a new business entity as allowed under MAUCRSA; provided, that the board of directors (or in the case of an unincorporated association, the owners and managers) are substantially the same as the original permittee.

Although an application for a new Cannabis use permit is not required in these two circumstances, the permittee shall notify the Zoning Administrator in writing of the change at least ten days before. Failure to comply with this provision is grounds for Cannabis use permit revocation.

(d) Any attempt to transfer a Cannabis use permit directly or indirectly in violation of this section is void and is ground for revocation of the Cannabis use permit.

Sec. 14-53.112 Renewal or Revocation.

(a) Each Cannabis use permit shall be valid for a period not exceeding one year and require renewal each year on or before June 30. Renewal of Cannabis use permits shall be as provided for in Section [14-53.104](#).

(b) No Cannabis use permit issued under this chapter may be renewed unless:

(1) A new application has been filed as set forth in Section [14-53.104](#) no less than March 30 or ninety (90) days before expiration date of the use permit, whichever first occurs;

(2) The Cannabis use permit renewal application fee in Section [14-53.104](#), has been paid; and

(3) The applicant satisfies all requirements of this chapter.

(c) Cannabis Use Permit Renewal Application.

(1) An application to renew a Cannabis use permit shall be on forms provided by the Zoning Administrator. The forms shall be signed under penalty of perjury, and shall include, but not be limited to, the following information:

(i) The names of the applicant's owners and managers;

(ii) The street address;

(iii) The Santa Cruz County Tax Assessor's Parcel Number of the existing cannabis facility;

(iv) A copy of the recorded deed vesting ownership of the parcel in the current owner,

(v) A copy of the applicant's State-issued license to engage in a cannabis business;

(vii) The applicants' and owners' waiver and release of the City from any and all liability or arising from the application for a Cannabis use permit, the issuance of the Cannabis use permit, the denial of the Cannabis use permit, or the enforcement of the conditions of the Cannabis use permit;

(viii) Background information to be determined by the Zoning Administrator, including but not limited to a statement that the applicant(s) and owner(s) have submitted to a LiveScan background check no earlier

than 30 days before the date the application for the Cannabis use permit is submitted;

(ix) Federal Tax Identification name and number;

(x) Security plan and any security procedures form that the applicant submitted to the Bureau;

(xi) For facilities holding a cannabis use permit for cannabis delivery, the cannabis delivery procedures form that the applicant submitted to the Bureau;

(xii) Vehicle registration and proof of insurance for all delivery vehicles;

(xiii) Proof of compliance with workers' compensation State insurance requirements; and

(xiv) Such other information as the Zoning Administrator deems reasonably necessary to a thorough review of the Cannabis use permit renewal application.

(xv) Identification of any changes to the information the applicant submitted on the original Cannabis use permit renewal application;

(xvi) Any law enforcement or enforcement activity related to the permittee's operations during the past calendar year;

(xvii) A representation that the applicant continues to hold in good standing any license required by the State of California to operate a cannabis facility;

(xix) Such other information as the Zoning Administrator deems reasonably necessary to a thorough review of the application for renewal of the Cannabis use permit renewal application.

(d) Review of the Use Permit Renewal Application.

(1) Upon receipt of an application for renewal of a Cannabis use permit, the Zoning Administrator shall update the permittee's file and perform whatever investigation the Zoning Administrator deems necessary to determine whether to grant or deny the Cannabis use permit. The investigation may include a physical inspection of the facility and any delivery vehicles, at the discretion of the Zoning Administration.

(2) Issuance of a renewal Cannabis use permit is a discretionary act. No applicant shall be automatically entitled to receive a use permit renewal based solely on meeting the basic requirements of this chapter. It is not necessary for the Zoning Administrator to issue findings before granting a use permit renewal to an applicant who is requesting to maintain already-approved business operations.

(e) The Zoning Administrator or designee may revoke or elect not to renew a Cannabis use permit issued under this chapter if:

(1) The applicant or permittee and its owners and managers have not complied at all times with this ordinance.

(2) Any failure to comply with the Cannabis use permit conditions of approval or the Municipal Code,

(3) Any other facts, circumstances or conditions which indicate that renewal of the Cannabis use permit regulatory permit will be detrimental to the health, safety, or welfare of the residents of the City.

(4) The Zoning Administrator or designee is aware of any law enforcement or State license enforcement activity related to the permittee's operations either with the locally permitted facility or any other facility owned and/or operated by the permittee in any other jurisdiction during the past calendar year that led to a documented, material violation of one or more conditions of the facility's Cannabis use permit.

Sec. 14-53.113 Limitations on City's Liability.

(a) To the fullest extent permitted by law, the City shall not be liable whatsoever, with respect to approving any permit pursuant to this chapter or the operation of any facility approved pursuant to this chapter. As a condition of approval of a Cannabis use permit as provided in this chapter, the applicant or its legal representative shall:

(1) Execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City, its officers, elected and appointed officials, employees, representatives, and agents, harmless and defend from any and all claims, losses, damages, injuries, or liabilities of any kind arising out of, or are in any way related to, the City's issuance or denial of a Cannabis use permit, the registration or operation of a cannabis facility, the process used by the City in making any decision, the alleged violation of any federal, state, or local laws by the applicant, or the

prosecution of the applicant or permittee or its owners or managers for violation of Federal or State laws;

(2) Maintain insurance at the coverage limits and of the types required by the City's risk manager in compliance with State law;

(3) Name the City as an additional insured on all liability policies;

(4) Agree to reimburse the City for all costs and expenses, including any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to the City's approval of a cannabis use permit. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the permittee of its obligation hereunder.

Article 2. Findings

Sec. 14-53.201 Findings for Approval.

When considering applications for a Cannabis use permit, the Zoning Administrator or Planning Commission shall evaluate the impact of the proposed use on and its compatibility with surrounding properties and neighborhoods to ensure the appropriateness of the use at a particular location to determine whether it can make all required findings of Section 14-12.513 of this Code.

Sec. 14-53.202 Findings for Denial.

An application for a Cannabis use permit may be denied upon making any of the following findings:

(a) An applicant owner or manager made one or more false or misleading statements or omissions on the Cannabis use permit pre-application or application process;

- (b) The applicant failed to satisfy any requirement of this chapter.
- (c) The proposed commercial Cannabis activity is in violation of any provision of this Code, or any State or local law which substantially affects the public health, welfare, and safety, or its location is not permitted in the proposed area, or the issuing or continuation of a regulatory permit would be contrary to the public health, welfare and safety;
- (d) An applicant, owner or manager has been convicted of a violent felony, a felony or misdemeanor involving fraud, deceit, or moral turpitude, or the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, unless the applicant has completed all probation or parole more than seven (7) years ago;
- (e) An applicant, owner or manager is a licensed physician making patient recommendations for cannabis;
- (f) An applicant, owner or manager has been cited by the City, the State of California, or any city for unregistered cannabis activities or has had a Cannabis use permit revoked since the passage of MAUCRSA.
- (g) An applicant did not pay the City the required application and processing fees as set forth in Section [14-53.104](#).

Article 3. Operating Conditions.

Sec. 14-53.301 Required Cannabis Use Permit Conditions for all Cannabis Facilities.

All Cannabis use permits shall be subject to all of the general conditions of this section and the specific conditions of this Article for the specific permit type.

- (a) Parking area lighting and exterior lighting mounted on the facility shall be balanced and shall not result in glare on adjoining properties, shall complement the

security systems required in this chapter to ensure that all areas of the location are visible, and shall provide increased lighting at all entrances to the facility. The lighting required in this subsection shall be on from dusk to dawn.

(b) No person, other than a licensed security guard, shall be in possession of any firearm while on the premises without having first obtaining a license from the State and City authorizing the person to be in possession of such firearm.

(c) Each applicant or permittee shall notify the City immediately after discovering any of the following: diversion, theft, loss, or any criminal activity involving the commercial cannabis operation or operation of the facility; significant discrepancies identified during inventory; or any breach of security.

(d) No permittee shall be delinquent in the payment of any State and City taxes and fees.

(e) The permittee shall hold all required State licenses under the Cannabis Regulations and Safety Act (Business and Professions Code Section [19300](#), et seq.), as it may be amended, and under all other applicable State laws.

(f) At any time between 8:00 a.m. and 10:00 p.m. and without notice, City may enter the facility to observe compliance of the facility operation, and may inspect facility records, books, accounts, financial data, and all data and records relevant to its Cannabis use permit for the purposes of conducting an audit or compliance review.

(g) It is unlawful for any person to refuse to allow, impede, obstruct, or interfere with an inspection, or the review of the copying of records and monitoring (including recordings) including, but not limited to, the concealment, destruction, and falsification of any paper, electronic or other records deemed necessary and reasonable to administer the requirements of this chapter.

(h) It shall be unlawful and a violation of this chapter for any person to employ any other person at a facility who is not at least eighteen (18) years of age.

(i) Odor control devices and techniques shall be incorporated in all facilities to ensure that odors from cannabis are not detectable off-site. Facilities shall provide a sufficient odor absorbing ventilation and air filtration system so that odor generated inside the facility that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the facility. Facilities shall install and maintain the following equipment or any other equipment which the Chief of Police determines has the same or better effectiveness:

(1) A ventilation and air filtration system with odor control that prevents internal odors from being emitted externally;

(2) An air filtration system that creates negative air pressure between the facility's interior and exterior so that the odors generated inside the facility are not detectable on the outside of the facility.

(j) All weighing devices must be maintained in compliance with local, County, State, or Federal law and comply with applicable regulations regarding device registration with the Santa Cruz County Agricultural Commissioner.

(k) All facilities shall follow all local, County, State, and Federal requirements for solid waste and hazardous waste disposal. The County of Santa Cruz Environmental Health Division may inspect the facility at any time during business hours to ensure compliance with this section.

(l) Facilities shall employ security personnel as follows:

(1) All security personnel shall register and maintain valid registration status with the State of California's Department of Consumer Affairs. At no time shall any security personnel register with the State at any level that is less than that of a State-licensed private security officer. Proof of application and registration for all security personnel shall be maintained by the applicant or permittee and shall consist of copies of all relevant documentation including: application forms, receipts for application fees and live scan fees, and actual proof of registration.

(2) While on duty, all security personnel shall have a nameplate containing the security personnel's full name and the word "SECURITY" printed in bold, capital letters. The nameplate shall be exhibited prominently on the clothing, at chest level, and shall be visible and easily read at all times. The nameplate shall be a minimum of two (2") inches high and four (4") inches wide, with the required information printed in capital letters, at least three-fourths (3/4") inches high and in a contrasting color. As an alternative to a nameplate, the security personnel's name and the word "SECURITY" may be embroidered on the security personnel's outermost garment with the required information meeting the above specifications and located at chest level.

(3) Each permittee shall conspicuously display its Cannabis Use Permit and State license within the facility. Each facility that engages in delivery or transportation services shall carry a copy of the facility Cannabis use permit in all vehicles that deliver or transport cannabis.

(4) No applicant or permittee may hold a license from the State Department of Alcoholic Beverage Control to sell alcohol beverages, nor may the facility include a business that sells alcohol beverages. No alcohol may be stored, sold, dispensed or used on the facility.

(m) Consistent with the “[Memorandum for all United States Attorneys](#),” issued on or about August 29, 2013, by the U. S. Department of Justice, from James M. Cole, Deputy Attorney General (known as the “Cole Memo”), the facility shall take all necessary and reasonable steps, including the refusal of service to any patient of the applicant or permittee, to prevent:

- (1) The distribution of cannabis to minors;
- (2) Revenue from the sale or distribution of cannabis from going to criminal enterprises, gangs and cartels;
- (3) The diversion of cannabis from California to any other state;
- (4) State-authorized cannabis activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- (5) Violence and the use of firearms in the cultivation and distribution of cannabis;
- (6) Drugged driving or the exacerbation of other adverse public health consequences associated with cannabis use;
- (7) Growing of cannabis on public lands and the attendant public safety and environmental dangers posed by cannabis production on public lands; and
- (8) Cannabis possession or use on Federal property.

Sec. 14-53.302 Required Cannabis Use Permit Conditions for Type 1A, 2A or 3A Cannabis Use Permits (Cultivation).

All Cannabis use permits for Type 1A, 2A or 3A cultivation facilities shall be approved only if subject to all of the conditions of this section.

(a) Outdoor Commercial Cultivation is prohibited. All cultivation of cannabis must occur within a permanent, permitted structure.

(b) In no case, shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.

(c) Commercial cannabis cultivation which is permitted in the City of Watsonville shall not exceed 22,000 square feet of canopy space permitted by state law with a valid Cannabis use permit.

(d) A permittee may cultivate cannabis at more than one location if each location is separately permitted and the total square footage of cannabis cultivated does not exceed the total allowed under the license type (5,000 sf or 10,000 sf maximum)

(e) Cannabis cultivation shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.

(f) Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.

(g) Cultivation shall at all times occur in such a way as to ensure the health, safety, and welfare of the public, the employees working at the facility, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis.

(h) All applicants for a cannabis cultivation permit shall submit the following documents in addition to the information generally otherwise required for a facility:

(1) A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting.

(2) A description of a legal water source, irrigation plan, and projected water use.

(3) Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.

(4) Plan for addressing odor and other public nuisances that may derive from the cultivation site.

(i) The applicant or permittee shall prohibit loitering by persons outside the facility, either on the premises or within one hundred (100') feet of the premises.

(j) The cultivation of cannabis shall not create hazards due to the use or storage of materials, processes, products, chemicals, fertilizers, or wastes.

(k) The interior and exterior of the facility, including driveways, sidewalks, parking strips, fire access roads and streets on or adjacent to the premises, shall be kept in a clean and safe condition.

(l) Exterior lighting on the premises and location shall ensure the safety of the public and the members and employees of the applicant or permittee while not disturbing surrounding residential or commercial areas.

(m) Each permittee shall operate in a manner such that the cultivation of cannabis does not adversely affect the health or safety of nearby properties through the creation of mold, mildew, dust, glare, heat, noise, noxious gases, odor, smoke, traffic, vibration, or other impacts.

(n) The facility shall follow all pesticide use requirements of local, State, and Federal law. The Santa Cruz County Agricultural Commissioner may inspect the facility at any time during business hours to ensure compliance with this section.

(o) Cannabis cultivation shall be conducted in accordance with State and local laws related to grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.

(p) Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from pests, rodents, or other wildlife.

(q) The cultivation of cannabis shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the facility, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis for non-permitted purposes.

Sec. 14-53.303 Required Cannabis Use Permit Conditions for Type 6 and 7 Cannabis Use Permits (Manufacturing).

All Cannabis use permits for Type 6 or 7 Manufacturing facilities shall be approved only if subject to all conditions of this section.

All Cannabis use permits shall be subject to all of the general conditions of this section and the specific conditions of this Article for the specific permit type.

(a) Cannabis manufacturing shall only be permitted pursuant to Section 14-53.101 of this code or any subsequent created manufacturing state license as defined in MAUCRSA, and may be permitted to operate only within those zone districts as defined in Section 14-53.114 of this Code.

(b) No compressed gases used in the manufacturing may be stored in containers that exceed the amount approved by the Watsonville Fire Department and authorized by this Cannabis use permit. Each facility shall be limited to a total number of tanks authorized by the Watsonville Fire Department.

(c) Cannabis manufacturing facilities may use heat, screens, presses, steam distillation, ice water, ethanol and other methods without employing solvents or gases to create kief, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

(d) If an extraction process uses a professional grade closed loop CO₂ gas extraction system every vessel must be certified by the manufacturer for its safe use as referenced in **Section 14-53.302(f)**. The CO₂ must be of at least ninety-nine percent purity.

(e) Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

(f) Certification from an engineer licensed by the State of California, or by a certified industrial hygienist, must be provided to the Community Development Department for a professional grade closed loop system to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:

- (1) The American Society of Mechanical Engineers (ASME);
- (2) American National Standards Institute (ANSI);
- (3) Underwriters Laboratories (UL); or
- (4) The American Society for Testing and Materials (ASTM)

(g) The certification must contain the signature and stamp of the professional engineer or industrial hygienist and serial number of the extraction unit being certified.

(h) Professional closed loop systems and other equipment used for extraction must be approved for use by the Watsonville Fire Department and meet all fire, safety, and building code requirements specified in the California Building Reference Codes.

(i) Facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

(j) Facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

(k) Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.

(l) Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

(m) The extraction and refinement of chemical compounds from cannabis by way of a solvent-based method utilizing compressed flammable gases or alcohol shall be in compliance with AB 2679 (Approved by Governor September 29, 2016. Filed with

Secretary of State September 29, 2016 which amended Section [11362.775](#) of the California Health and Safety Code. [this requirement expires one year after notice on state website. Has the notice been posted??]

(n) Preparation of edible cannabis products.

(1) All food products, food storage facilities, food-related utensils, equipment and materials shall be approved, used, managed and handled in accordance with the California Retail Food Code [§§ [113700](#) et seq of the f California Health and Safety Code]. All food products shall be protected from contamination at all times, and

(2) All food handlers shall be clean, in good health and free from communicable diseases.

(3) Baked products (e.g., brownies, bars, cookies, cakes), tinctures, and other non-refrigerated type items may be sold or distributed at a cannabis retailer. The County of Santa Cruz Environmental Health Department may inspect the facility at any time during business hours to ensure compliance with this section.

(4) Products with specific youth appeal and adverse health impacts, such as products that mix other addictive and psychoactive substances with cannabis (e.g., nicotine, alcohol, or added caffeine), artificial flavors or additives that increase underage appeal, cannabis “candies” produced in character shapes (gummy bears, Swedish Fish, animal-shaped chocolates) that would have higher appeal to youth, shall be awarded fewer points in the application process.

(o) Packaging of cannabis.

(1) Before sale or delivery of any edible cannabis or edible cannabis product the same shall be labeled and in tamper-evident packaging which at least meets the requirements of California Business and Professions Code § [19347](#), as the same may be amended from time to time or superseded or replaced by subsequent State legislation or by any department or division of the State of California. The City Council may impose additional packaging and labeling requirements on cannabis or cannabis products.

(2) Cannabis or cannabis products shall be packaged in re-sealable, tamper-evident, child-proof, opaque packaging with text and adult-intended design. Packaging that has special appeal to youth, such as cartoons, recreational images (sports, musicians, etc.), names referencing pop culture figures, or bright, eye-catching colors, is prohibited.

Sec. 14-53.304 Required Cannabis Use Permit Conditions for Type 9 or 10 Cannabis Use Permits (Store Front Retail).

All Cannabis use permits for Type 9 or 10 Store front retail facilities shall be approved only if subject to all of the conditions of this section.

(a) No more than the number of cannabis retailers adopted by resolution may operate within the City of Watsonville at any one time and shall be issued a permit by the City of Watsonville.

(b) Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of eighteen (18) years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and/or H&S 11362.71 identification card (Medical Marijuana Card). For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.

(c) Entrances into the retailer shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the retailer to separate it from the reception/lobby area. Individuals must show their government-issued identification, and, in the case of medical cannabis facilities, their physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71 in order to gain access into the retailer. The government-issued identification and, if applicable, doctor's recommendation or cannabis card must also be shown at the point of sale station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location.

(d) Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. Security personnel may be allowed to carry firearms if authorized by the Chief of Police.

(e) Retailers may have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on-site in the retail sales area of the retailer. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.

(f) All restroom facilities shall remain locked and under the control of management.

(g) Retailers and microbusinesses authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this division.

(1) The sale and delivery of cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the premises.

(2) Retailers or microbusinesses shall not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.

(3) No cannabis goods shall be sold and/or delivered by any means or method to any person within a motor vehicle.

(4) All cannabis goods sold by a retail business shall be contained in child-resistant packaging.

(5) Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

(6) A retail permittee or microbusiness permittee who is engaged in retail sale shall hire or contract for security personnel who are at least 21 years of age to provide security services for the licensed retail premises. All security personnel hired or contracted for by the permittee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.

(h) Access to Retailer Premises.

(1) Access to the premises of a retail permittee/permittee shall be limited to individuals who are at least 21 years of age.

(2) Notwithstanding Section 14-53.204 (i) (1), individuals who are at least 18 years of age and in possession of a valid physician's recommendation shall be granted access to the premises of a retail permittee/permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.

(i) Authorized Sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician's recommendation. Medicinal cannabis sales to individuals 21 years of age and older are unrestricted.

(j) Limited Access Areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the permittee/permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the Chief of Police or the Development Services Director upon request.

(k) Microbusiness – Commercial Activity. All cultivation, manufacturing, distribution, and retail activities performed by a permittee under a Type 12-Microbusiness permit shall occur on the same licensed premises. Areas of the

premises for manufacturing and cultivation shall be separated from the distribution and retail areas by a wall and all doors between the areas shall remain closed when not in use.

(l) Operating hours of the Store Front Retailer License shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.

(m) Store Front/Retail Security Requirements. All provisions incorporated within Section 7-12.28 of this Chapter (Security Measures), are directly applicable to and binding on all facilities, including all Store Front/Retail businesses.

Sec. 14-53.305 Required Cannabis Use Permit Conditions for Type 8 Cannabis Use Permits (Testing).

All Cannabis use permits for Type 8 Testing facilities shall be approved only if subject to all of the conditions of this section.

(a) Testing Labs shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each Testing Lab shall be subject to additional regulations as determined from time to time as more regulations are developed under this Chapter and any subsequent State of California legislation regarding the same.

(b) Testing Labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.

(c) All cannabis testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Bureau.

(d) Testing labs shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the bureau

unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the bureau.

(e) Each operator shall ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by state law and that the testing laboratory employee transports the sample to the testing laboratory.

(f) Except as provided by state law, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a permittee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.

(g) A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver presents the qualified patient's valid physician's recommendation for cannabis for medicinal purpose. A testing lab shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or permittee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the cannabis or cannabis products received.

Sec. 14-53.306 Required Cannabis Use Permit Conditions for Type 11 Cannabis Use Permits (Distribution).

All Cannabis use permits for Type 11 Distribution facilities shall be approved only if subject to all conditions of this section.

(a) A distributor shall not store non-cannabis goods or non-cannabis accessories that are to be sold to another party on any licensed premises. Additionally, a distributor shall not distribute non-cannabis goods or non-cannabis accessories at a licensed premise. For the purposes of this section, non-cannabis goods are any goods that do not meet the definition of cannabis goods as defined in Section 5000(c) of the California Code of Regulations.

(b) After taking physical possession of a cannabis goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.

(c) A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.

(d) The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.

(e) A distributor or an employee of the distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded, and the recording kept available to state and local authorities for a minimum of 180 days, pursuant to Section 5305 of the California Code of Regulations.

(f) A distributor shall not transport cannabis or cannabis products to a licensed retail facility until and unless it has verified that the cannabis or cannabis products have been tested and certified by a testing lab as being in compliance with

state health and safety requirements pursuant to Sections 5705, 5710 and 5714 of the California Code of Regulations.

(g) Each facility that engages in distribution services shall carry a copy of the use permit in all vehicles that distribute cannabis.

(h) The distributor shall be in compliance with State and local cannabis regulations at all times, including California Business and Professions Code Division 10 (Cannabis), as may be amended.

Sec. 14-53.307 Required Cannabis Use Permit Conditions for Type 13 Cannabis Use Permits (Non-Store Front Delivery).

All Cannabis use permits for Type 13 Non-storefront delivery facilities shall be approved only if subject to all of the conditions of this section.

(a) Obtain from the City a permit authorizing the delivery of cannabis and cannabis products within the City limits. A copy of this permit shall be retained by all drivers.

(b) The retail business operating the delivery service shall provide the Chief of Police with evidence of a valid state license for a facility on whose authorization the delivery service is performing the delivery function.

(c) The retail business operating the delivery service shall furnish to the Chief of Police the year, make, model, color, license plate number, and numerical Vehicle Identification Number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

(d) Non-storefront delivery by those cannabis cultivation and manufacturing facilities with valid local Use Permits shall be limited to only those products cultivated and/or manufactured by the licensed facility.

Article 4. Operating Standards.

Sec. 14-53.401 Signs.

Notwithstanding other sections of this Code, exterior signage for the facility shall be limited to one (1) exterior building sign per business location in compliance with the following standards:

- (a) Signs may include only the name of the business and one green cross
- (b) Sign area may not exceed twenty (20) square feet, or one square foot per linear frontage of the facility main building, whichever is less.
- (c) Signs may not have any reference, through symbols or language, to cannabis, with the exception of one green cross.
- (d) Signs shall not be directly illuminated except during operating hours.
- (e) Signs shall also comply and be approved pursuant to Chapter 8-6 of this Code.
- (f) A facility shall not print, publish, advertise, or disseminate in any way or by any means, other than a dedicated business Internet website accessible only through an age gate portal.
- (g) A facility may provide an entry in the telephone directory with the name, location, and phone number of the facility. Such directory entry may identify the business as a “cannabis facility.” The telephone directory shall not include: pricing of products, details regarding specific cannabis products, or cannabis photography or graphics related to the cannabis plant or cannabis products.

Sec. 14-53.402 Permissible Delivery Locations and Customers.

Cannabis delivery businesses permitted to engage in delivery of cannabis and cannabis products inside the City of Watsonville are subject to the following requirements:

(a) A licensed facility shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.

(b) A licensed facility shall comply with all requirements of state and local law pertaining to the cannabis permit and all subsequent policies, procedures and regulations which may be amended by the Community Development Department from time to time in order to enforce this Chapter.

Sec. 14-53.403 Recordkeeping.

(a) Each facility shall maintain an inventory control and reporting system to track and report on all aspects of the facility including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and sale) and shall ensure that such information is compatible with the City's recordkeeping systems and complies with State law. The system must have the capability to produce historical transactional data for review by the City of Watsonville. All information provided to the City pursuant to this subsection shall be confidential and shall not be disclosed, except as otherwise may be required under the law. Such system must be authorized by the City Manager or their designee.

(b) Each applicant or permittee shall maintain at the premises all records and documents required by this chapter and all the information and records listed below:

(1) The name, address, and telephone number(s) of the owner, landlord and/or lessee of the location;

(2) The name, address, and telephone number of each patient and primary caregiver, along with a copy of the written documentation provided by each qualified patient designating his or her primary caregiver;

(3) The name, business address, and telephone number of each attending physician who provided a physician's recommendation for any patient of the applicant or permittee;

(4) The records of all qualified patients with a valid identification card and primary caregivers with a valid identification card may be maintained by the applicant or permittee using only the identification card number issued by the State pursuant to California Health and Safety Code Section [11362.7](#) et seq., in lieu of the information required by this section;

(5) Complete and up-to-date records regarding the amount of cannabis cultivated, produced, harvested, stored, or packaged at its cultivation site;

(6) Complete and up-to-date manifest records regarding cannabis transfers from the applicant or permittee's cultivation site to dispensing location(s), including the date and time of the transfer; the name and address of the cultivation facility and the name and address of the supplier if different from the cultivation facility; the amount, form, type, batch and lot number of cannabis transferred; the time of departure from the cultivation facility; the time of arrival at the dispensing location; the names of the employees distributing the product; and the name of the employee who received the product at the dispensing location;

(7) Complete and up-to-date records documenting each transfer of cannabis from the applicant or permittee's dispensing location to patients including the amount provided, the form or product category in which the cannabis was provided, the date and time provided, the name of the employee making the transfer, and the amount of monetary or other transaction;

(8) All receipts of the applicant or permittee, including but not limited to all contributions and all expenditures incurred by the applicant or permittee for the cultivation and dispensing of cannabis;

(9) Records demonstrating compliance with State and Federal rules and regulations regarding reporting and taxation of income received; and

(c) All cannabis facilities shall perform an inventory on the first business day of each month and shall record the total quantity of each form of cannabis on the premises.

(d) All records required by this section shall be maintained by the applicant or permittee for a period of seven years and shall be made available by the applicant or permittee to the Zoning Administrator and any City official charged with enforcing the provisions of this Code upon request.

Sec. 14-53.404 Security.

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

- (1) Alarm system (perimeter, fire, and panic buttons).
- (2) Remote monitoring of alarm systems by licensed security professionals.
- (3) Perimeter lighting systems (including motion sensors) for after-hours security.
- (4) Perimeter security and lighting as approved by the Police Chief and Director of the Community Development Department or his/her designee.
- (5) Preventing individuals from remaining on the premises of the facility if they are not engaging in an activity directly related to the permitted operations of the facility.
- (6) Establishing limited access areas accessible only to authorized facility personnel.
- (7) Except for live growing plants which are being cultivated at a cultivation operation, all cannabis and cannabis products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriter Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live plants that are

being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.

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

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

(10) Panic buttons shall be installed in all facilities with direct notification to the Watsonville Police Department dispatch and shall be configured to immediately alert dispatch for the Watsonville Police Department.

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

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

(13) Security personnel shall be on-site 24 hours a day or alternative security as authorized by the City Manager or his/her designee(s), and must have a verified response security patrol when closed. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager or his/her designee(s), with such approval not to be unreasonably withheld. Firearms may be carried by security personnel while they are on duty if authorized by the Chief of Police.

(14) Each facility shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.

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

(16) Each facility shall have an accounting software system in place to provide point of sale data as well as audit trails or both product and cash, where applicable.

(19) Each facility shall demonstrate to the Chief of Police, City Manager or their designees, compliance with the state's track and trace system for cannabis and cannabis products, as soon as it is operational.

(20) Each facility shall have a professionally installed video surveillance system, access control and intrusion alarm systems designed to protect the inventory, facility, and employees. Each business shall have network security protocols that are certified by Underwriters Laboratories.

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

(22) Emergency access and emergency evacuation plans that are in compliance with state and local fire safety standards.

(b) Each facility shall identify a designated security representative/liaison to the City of Watsonville, who shall be reasonably available to meet with the City Manager or his/her designee(s) regarding any security related measures or and operational issues. The designated security representative/liaison shall, on behalf of the facility, annually maintain a copy of the current security plan on the premises of the business, to present to the City Manager or his/her designee upon request that meets the following requirements:

- (1) Confirms that a designated Manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.
 - (2) Identifies all managers of the facility and their contact phone numbers.
 - (3) Confirms that first aid supplies and operational fire extinguishers are located in the service areas and the Manager's office.
 - (4) Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company 24 hours a day, seven days a week, and provides contact information for each licensed security company.
 - (5) Identify a sufficient number of licensed, interior and exterior security personnel who will monitor individuals inside and outside the facility, the parking lot, and any adjacent property under the business' control.
 - (6) Confirm that the licensed security personnel shall regularly monitor the parking lot and any adjacent property to ensure that these areas are: (i) free of individuals loitering or causing a disturbance; (ii) are cleared of employees and their vehicles one-half hour after closing.
- (c) As part of the application and permitting process each facility shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by the business, and any currency.
- (d) The facility shall cooperate with the City whenever the City Manager or his/her designee(s) makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter.

(e) A facility shall notify the City Manager or his/her designee(s) within twenty-four (24) hours after discovering any of the following:

(1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager or his/her designee(s).

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

(3) The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the facility.

(4) Any other breach of security.

(f) Compliance with the foregoing requirements shall be verified by the Zoning Administrator before commencing business operations. The Zoning Administrator may supplement these security requirements once operations begin upon request of the business owner.

Sec. 14-53.405 Video Surveillance.

(a) Minimum Requirements. The following video surveillance requirements shall apply to all facilities:

(1) Prior to exercising the privileges of a facility, an applicant must install a fully operational video surveillance and security camera recording system. The recording system must record in digital format and meet the requirements of this chapter.

(2) All video surveillance records and recordings must be stored in a secure area that is only accessible to an applicant or permittee's management staff.

(3) Video surveillance records and recordings must be made available upon request to the Division, the relevant local licensing authority, or any other State or local law enforcement agency for a purpose authorized by the Municipal Code or for any other State or local law enforcement purpose.

(4) Video surveillance records and recordings of point-of-sale areas shall be held in confidence by all employees and representatives of the Division, except that the Division may provide such records and recordings to the relevant local licensing authority, or any other State or local law enforcement agency for a purpose authorized by the Municipal Code or for any other State or local law enforcement purpose.

(b) Video Surveillance Equipment.

(1) Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the recording requirements described in this rule, video monitors, digital archiving devices, and a color printer capable of delivering still photos.

(2) All video surveillance systems must be equipped with a failure notification system that provides prompt notification to the applicant or permittee of any prolonged surveillance interruption and/or the complete failure of the surveillance system.

(3) Permittees are responsible for ensuring that all surveillance equipment is properly functioning and maintained so that the playback quality is suitable for viewing and the surveillance equipment is capturing the identity of all individuals and activities in the monitored areas.

(4) All video surveillance equipment shall have sufficient battery backup to support a minimum of four (4) hours of recording in the event of a power outage.

(c) Placement of Cameras and Required Camera Coverage.

(1) Camera coverage is required for all limited access areas, point-of-sale areas, security rooms, all points of ingress and egress to limited access areas, all areas where cannabis or cannabis-infused product is displayed for sale, and all points of ingress/egress to the exterior of the licensed premises.

(2) Camera placement shall be capable of identifying activity occurring within twenty (20') feet of all points of ingress and egress and shall allow for the clear and certain identification of any individual and activities on the licensed premises.

(3) At each point-of-sale location, camera coverage must enable recording of the patients, caregiver or customer(s) and employee(s) facial features with sufficient clarity to determine identity.

(4) All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points.

(5) The system shall be capable of recording all predetermined surveillance areas in any lighting conditions. If the licensed premises has a cannabis cultivation area, a rotating schedule of lighted conditions and zero-illumination can occur as long as ingress and egress points to flowering areas remain constantly illuminated for recording purposes.

(6) Areas where cannabis is grown, tested, cured, manufactured, or stored shall have camera placement in the room facing the primary entry door at

a height which will provide a clear unobstructed view of activity without sight blockage from lighting hoods, fixtures, or other equipment.

(7) Cameras shall also be placed at each location where the following activities occur:

(i) Weighing, packaging, transport, preparation, or tagging of cannabis or cannabis products.

(ii) Storage and counting of cash.

(8) At least one (1) camera must be dedicated to record the access points to the secured surveillance recording area.

(d) Location and Maintenance of Surveillance Equipment.

(1) The surveillance room or surveillance area shall be a limited access area.

(2) Surveillance recording equipment must be housed in a designated, locked and secured room or other enclosure with access limited to authorized employees, agents of the City, County and State for a purpose authorized by this Code or for any other State or local law enforcement purpose, and service personnel or contractors.

(3) Permittees must keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the licensed premises. Permittees must keep a surveillance equipment maintenance activity log on the licensed premises to record all service activity including the identity of the individual(s) performing the service, the service date and time and the reason for service to the surveillance system.

(4) Off-site monitoring and video recording storage of the licensed premises by the permittee or an independent third party is authorized as long as standards exercised at the remote location meet or exceed all standards for on-site monitoring.

(5) Each cannabis licensed premises located in a common or shared building must have a separate surveillance room/area that is dedicated to that specific licensed premises. Commonly owned facilities located in the same local jurisdiction may have one (1) central surveillance room located at one (1) of the commonly owned licensed premises which simultaneously serves all of the commonly owned facilities. The facility that does not house the central surveillance room is required to have a review station, printer, and map of camera placement on the premises. All minimum requirements for equipment and security standards as set forth in this section apply to the review station.

(e) Video Recording and Retention Requirements.

(1) All camera views of all limited access areas must be continuously recorded twenty-four (24) hours a day. The use of motion detection is authorized when a permittee can demonstrate that monitored activities are adequately recorded.

(2) All surveillance recordings must be kept for a minimum of forty (40) days and be in a format that can be easily accessed for viewing. Video recordings must be archived in a format that ensures authentication of the recording as legitimately captured video and guarantees that no alteration of the recorded image has taken place.

(3) The permittee's surveillance system or equipment must have the capabilities to produce a color still photograph from any camera image, live or recorded, of the licensed premises.

(4) The date and time must be embedded on all surveillance recordings without significantly obscuring the picture. The date and time must be synchronized with any point-of-sale system.

(5) Time is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory in Pacific time.

Sec. 14-53.406 Identification Display Requirements.

(a) Each owner, manager and individual member engaged in the cultivation, processing, manufacturing, transporting or dispensing of cannabis shall, at all times while engaged in the duties of his or her position for the collective, wear in plain sight, on his or her person and at chest level, a valid identification badge, issued by the Chief of Police, and containing such information, including a suitable photograph, as the Chief of Police may require.

(b) No owner, manager or individual member engaged in the cultivation, processing, manufacturing, transporting or dispensing of cannabis shall engage in any activities with which he or she is registered, without first obtaining a valid identification badge.

(c) Identification badges shall expire one (1) year after issuance.

(d) Application for renewed identification badges shall be filed with the Chief of Police no later than thirty (30) days prior to the expiration of the current identification badge.

(e) Identification badges are the property of the City and shall be immediately collected by the facility and provided to the Chief of Police within twenty-four (24) hours of their expiration, or within twenty-four (24) hours of the termination of the employee's relationship with the owner, manager or individual member participating in the cultivation, processing, manufacturing, transporting or dispensing of cannabis. The applicant or permittee shall report any stolen or lost badges to the Chief of Police within forty-eight (48) hours of such loss or theft.

Sec. 14-53.407 Additional Terms and Conditions.

Based on the information set forth in the application, the Zoning Administrator or Planning Commission may impose reasonable terms and conditions on the proposed operations of the facility in addition to those specified in this chapter.

Article 5. Enforcement.

Sec. 14-53.501 Compliance.

(a) All cannabis facilities shall pay any applicable sales, use, business or other tax, and all license, registration, or other fees pursuant to Federal, State, County, and local law, or any other regulatory agencies as applicable.

(b) All cannabis facilities and their related permittees or cooperatives shall fully comply with all the provisions of the Compassionate Use Act of 1996, the Medical Cannabis Program Act, the 2008 Attorney General Guidelines, MAUCRSA, any subsequently enacted State law or regulatory, licensing, or certification requirement, all applicable provisions of this Code, and any specific, additional operating procedures and measures as may be imposed as conditions of approval of the regulatory permit.

(c) Nothing in this chapter shall be construed as authorizing any actions which violate State or local law with regard to the cultivation, transportation, manufacture, provision, sale, transfer, or disposition of cannabis.

Sec. 14-53.502 Inspections.

(a) The Zoning Administrator shall have the right to enter all cannabis facilities from time to time unannounced during the facility's hours of operation for the purpose of making reasonable inspections to observe and enforce compliance with this chapter, to inspect and copy records required to be maintained under this chapter, or to inspect and view recordings made by security cameras, all without requirement for a search warrant, subpoena, or court order.

(b) Nothing in this chapter requires the disclosure of any patient's private medical record.

(c) The Zoning Administrator may summarily suspend or revoke a cannabis regulatory permit, or disqualify an applicant from the registration process, or elect not to renew a regulatory permit if any of the following, singularly or in combination, occur:

(1) The Zoning Administrator determines that the facility has failed to comply with any requirement of this chapter or any condition of approval or a circumstance or situation has been created that would have permitted the Zoning Administrator to deny the regulatory permit pursuant to Section [14-53.112](#);

(2) The permittee or facility has conducted itself or is being conducted in a manner that creates or results in a public nuisance;

(3) Ownership is changed without the new owners securing a regulatory permit;

(4) The applicant or permittee relocates to a different location or premises;

(5) The facility fails to allow inspection and/or copying of the security recordings, the activity logs and records required under this chapter, or the premises by authorized City officials;

(6) Applicant violates State law or rulemaking for the purpose of compliance with the Cannabis Facilities Ordinance.

Sec. 14-53.503 Appeals.

Any decision regarding or pertaining to the regulatory permit process set forth in this chapter, or any action taken by the Zoning Administrator pursuant hereto, may be appealed per Section [14-10.1100](#) et seq of this Code.

Sec. 14-53.504 Violations is Misdemeanor.

Pursuant to Section 1-2.01 of this Code, any violation of this chapter is a misdemeanor.

SECTION 2. PUBLICATION.

This ordinance shall be published in the Watsonville Register-Pajaronian and/or Santa Cruz Sentinel in compliance with the provisions of the Charter of the City of Watsonville.

SECTION 3. EFFECTIVE DATE.

This ordinance shall be in force and take effect thirty (30) days after its final adoption.

1. Number of Cannabis Business Licenses to Allow

Research:

- AB 1356: The bill would require the minimum number of those local licenses required to be issued in that jurisdiction to be $\frac{1}{6}$ of the number of currently active on-sale general licenses for alcoholic beverage sales in that jurisdiction, as specified, unless the minimum number would result in a ratio greater than one local license for retail cannabis commercial activity for 15,000 residents of the local jurisdiction, in which case the bill would require the minimum number to be determined by dividing the number of residents in the local jurisdiction by 15,000 and rounding down to the nearest whole number.
 - If the number of local licenses for retail commercial cannabis determined in clause (ii) would result in a ratio equal to, or fewer than, one local license for retail cannabis commercial activity for every 15,000 residents of the local jurisdiction, the number determined in clause (ii) shall be the minimum number of local licenses the jurisdiction is required to issue pursuant to paragraph
- Can I operate my business out of multiple locations under a single license?
 - Under MAUCRSA, a separate license is required for each premises where a person will be engaging in commercial cannabis activity. Please be aware that if the prospective locations you wish to operate out of are in different local jurisdictions, you will need to comply with any relevant local regulations or ordinances before applying for state licensure.
- Proposed changes to the ordinance would increase the number of cannabis access points in our community. With allowing delivery services to cultivators (6), manufactures (15), and store-front retailers (3) this equates to 24 non-storefront and 3 store-front, access points (*the 3 store-front retailers will have 2 access points, open shop and delivery*). *This is a huge increase in access points and it is concerning that the city is moving from no direct access points to 30 access points. This triggers three key concerns: normalization of cannabis use for recreational purposes, youth access, and oversaturation of access points. Data clearly indicates a direct correlation between ease of access and availability and increased youth use, social normalization and increased consequences, such as impaired driving, poisonings, and substance use disorders. Community Education, Strong Policies and Dedicated Enforcement will be key to ensure the community recognizes the health and safety consequences of use,*
- Data indicates that the neighborhoods with dispensaries, bear the brunt of the industry's presence in their communities: the more cannabis dispensaries a neighborhood has, the greater the number of cannabis-related hospitalizations.
(<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4536157/>).
- Reducing the number of access points in the 6.69 sq ft mile land area would allow the city to prevent potential impacts of cannabis saturation, youth access and normalization of recreational cannabis use to the community at large. This is a new industry and there is limited cannabis specific research that clearly demonstrates the full communal impacts. Lessons learned from the tobacco and alcohol industry around community impacts, should be heeded and evidence based policy and practices integrated.

Public Health and Safety Practice:

- Allow 2 dispensaries based on population, city size and available parcels.
- Allow delivery services from 2 store-front retailers and limited delivery services to 3 manufacturers with all of the delivery conditions identified in Section 6.
- Do not allow delivery services from cultivators.
- Utilize an equity model in scoring to give preference to women, veterans and minorities to promote diversity in the industry. Reserve a percentage of cannabis permits for minorities to

address disparities

- Equity program to include minorities, locals and people with criminal backgrounds (drug offenses)

2. Maximum Square Footage Increase for Cultivation

Research:

Salinas Valley-With over 800,000 square feet of greenhouse space, California is one of the top 5

- City of Santa Cruz has a max of 10,000 sq. ft for indoor cultivation

Public Health and Safety Practice:

- Limit cultivation to type 2A license with up to 10,000 sq. ft. and allow additional nursery square footage up to 10,000 sq. ft.

3. Allow Cultivation Licenses to be Allowed on More than One Parcel

Research:

[Proposition 64: The Adult Use Marijuana Act](#), was in part intended to protect small and medium sized farmers by limiting cultivation site size. Per the lawsuit referenced above, Proposition 64 was meant to ensure that the adult-use California cannabis industry would be built around small and medium sized businesses by prohibiting large-scale cultivation licenses for the first five years. While there are site limitations in the regulations, there are no limits on the number of licenses that a single applicant can obtain. This has deep implications for cultivators, large and small, and as a result investors in this space are well served to stay informed. <https://mazakali.com/implication-california-cannabis-cultivation-regulations/>

Public Health and Safety Practice:

- Limit of two parcels per license

4. Taxation

a. Continue to dedicate tax funding to prevention and youth programming

- High taxes should be used to keep cannabis prices high → *excise taxes are associated with lower use of alcohol and tobacco by adolescents.*
 - Adolescents reduced cigarette use at higher rates than adults after tax increases
 - Youth can't legally purchase cannabis, cannabis products can be illegally resold to youth

5. Processing/Nursery License

Research:

Definitions by the CA State:

- **Nursery Cultivation** of cannabis solely as a nursery:
(examples of typical nursery activities include cloning and seed propagation)
- **Processor:** A cultivation site that conducts only trimming, drying, curing, grading, or packaging of cannabis and non-manufactured cannabis products

SOURCE: https://static.cdfa.ca.gov/MCCP/document/CalCannabis%20FAQ%20Medicinal-Adult-Use_web_8.24.17.pdf

County: nursery space doesn't count towards their square footage

Specifying percentage of 22,000 for other uses

- Santa Cruz County land area in sq. mi: **445.17** v. Watsonville **6.69** sq. mi
- 22,000 square feet (Type 3A) for cultivation is considered large scale cultivation per the State of CA. Santa Cruz County is able to accommodate the 22,000 square ft requested for cultivating cannabis due to the larger land area. The City of Watsonville would risk going into the land area used to cultivate other produce, (strawberries, apples, blackberries, lettuce, etc.) Watsonville does not have the land that the County has.

SOURCE: <https://www.census.gov/quickfacts/fact/table/watsonvillecitycalifornia,santacruzcountycalifornia,US/LND110210>

Public Health and Safety Practice:

- Limit cultivation to type 2A license with up to 10,000 sq ft. and allow additional nursery square footage up to 10,000 sq. ft.

6. Delivery

Public Health and Safety Practice:

- Age Verification using an ID scanner at point of delivery that matches required state approved identification. This identification must match information and address on file as part of purchase.
- Delivery only to the person named as the customer ordering---require signature upon transfer and verify match with all electronically or physically stored identification and signatures.
- Delivery hours are limited to 9am to 9pm with no new orders initiated after 8:30 pm for same day delivery.
- Keep product locked in vehicle
- Have detailed education about products (including concentration, dosage, titration and proper use warnings) on the ordering platform and with product dissemination.
- Utilize GPS surveillance mapping to track delivery provider location.
- Have a camera in the vehicle to enhance safety while conducting all deliveries.

<http://www.safetyvision.com/cannabis>

Trace laws for the product (Cannabis DUIs)

- P. 40 security

7. Calculation of Distance Requirements

Research:

- City of Watsonville: Population → 53,920, Land area in sq. mi → 6.69
 - Cultivation, retail, manufacturing distance requirement **600 ft** from schools, parks, daycares, faith-based facility, library
 - Residential zone: 300 ft, legal residential use: 100 ft
 - Access points: 1 access 2,034
- City of Salinas: Population → 156,259, Land area in sq. mi → 23.18
 - Cultivation, retail, manufacturing distance requirement **1000 ft** from schools, parks, daycares, faith based
 - May not operate within any wholly residential area
 - Access points: 1 access point per every 26,043 individuals
- City of Hollister: Population → 39, 749 Land area in sq. mi → 7.29

- Cultivation, retail, manufacturing distance requirement **600 ft** from schools, parks, daycares,
- 150 ft from faith-based facility, conforming residential, conforming rehabilitation facilities
- Access points: 1 access points per every 5,678
- City of Capitola: Population → 10,180 Land area in sq. mi → 1.7
 - Distance from Schools and Churches. Retail Cannabis Establishments are not permitted within a path of travel of **1,000 feet** from any schools and churches.
 - The path of travel shall be measured by following the shortest path of travel along a public right-of-way from the property line of the proposed Retail Cannabis Establishment parcel to the church or school.
- Santa Cruz City: Population → 65,021 land area in mi → 15.83
 - no new retail sales facility, including a business holding a nonprofit or state microbusiness license, shall be located within **600 feet** from an existing cannabis retail sales facility

Public Health and Safety Practice:

- Retain 300 ft from residential area except at the discretion of City Council with public input.
- We are concerned with decreasing the distance requirements from residential areas city wide. We agree the Fox Shox building is an appropriate location for cannabis and we would hope that language such as this would allow for special exceptions.

8. Allow Multiple Licenses per parcel

Public Health and Safety Practice:

Allow multiple licenses to exist on the same parcel

9. Allowable Zoning Districts

Research:

"An analysis of cannabis dispensary density and cannabis abuse and dependence in California found that an additional dispensary per square mile in a zip code was associated with a 6.8 percent increase in cannabis abuse or dependence hospitalizations,"

Thoroughfare Commercial: 11 possible locations

Neighborhood Shopping Center: Removed from ordinance

Visitor Commercial Zoning Districts: 2 possible locations

Public Health and Safety Practice:

- Increase distance requirement in thoroughfare commercial to 1,000 feet from sensitive use areas to avoid saturation of cannabis outlets in these - sections of the community which are also major paths of travel for students going to school. Without distance requirements, students will be subject to regularly pass cannabis dispensaries on their way to school which enhances the normalization of the substance and decreases perception of harm. As these locations are in shopping centers that provide a service or business to community members of all ages. Businesses with a greater distance from sensitive use spaces will have less impact on students.
- Add 600 ft distance requirements between dispensaries in thoroughfare Commercial to prevent exposure and normalization of use of products by adolescents.
- Allow Visitor Commercial and Industrial area for retail

10. Employee Background Checks

Research:

- Equity →
 - Owners of the license are required to complete the Live Scan process and background check. The Bureau does not require individual background checks for a licensee's employees.
 - **Undocumented and/or permanent residents, "green card" holder:**
 - Cannabis legal in CA but not a federally recognized business/industry
 - Individuals likely to be denied citizenship for working in the cannabis industry - (clerks, cashiers, sales, intern, delivery person, budtender, store manager, security guard, webmaster, harvester -- growing, trimming, packaging)
 - Risk of Deportation
 - Individuals may not work in this industry unless they have naturalized, (become U.S. Citizens)

Public Health and Safety Practice:

- Full backgrounds for license owners and managers only. This would allow individuals with past minor criminal offenses to apply for employment opportunities.
- **Employer**
 - Blanket statement in job announcements *and prior to final job offer or during the hiring process* of potential impacts of accepting offer to work in the cannabis industry. "The cannabis industry is not a federally recognized business, therefore there may be risks to individuals working in this industry, who may need to disclose work information on federal applications."

11. Application Process for Retail Dispensaries and other requirements of retailers

Research:

- Signage and advertising restrictions:
- **Billboards, banners, flags or sandwich boards**
 - Advertising and Marketing materials in [City/County] for Cannabis and Cannabis Products or brands may not be Attractive to Children or Youth.
 - Display consumption of Cannabis or Cannabis Products.
 - Contain material that encourages the use of Cannabis because of its intoxicating effect.
 - Encourage excessive or rapid consumption of Cannabis or Cannabis Products.
 - Include claims related to potency, "high" strength (beyond listing of cannabinoid content) or being "natural."

"**Advertisement**" means any written or verbal statement, illustration, or depiction, which is calculated to induce sales of Cannabis or Cannabis Products, including any written, printed, graphic, or other material; billboard, sign, or other outdoor, digital, indoor or point-of-sale display; individual carrying a display; public transit card, other periodical, literature or publication; or in any similar media; except that such term shall not include:

- i) Any label affixed to any Cannabis or Cannabis Products, or any individual covering, carton, or other wrapper of such container that constitutes a part of the labeling under provisions of this division.

- ii) Any editorial or other reading material (e.g., news release) in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any permit holder, and which is not written by or at the direction of a permit holder.

Definition for products and packaging:

“Attractive to Children or Youth” refers to products, packaging or labeling or advertising that may especially encourage persons under age 21 to initiate cannabis consumption or otherwise to consume (accidentally or purposely) cannabis or cannabis products. The term includes:

- i) Products that (1) resemble a non-cannabis consumer product of a type that is typically consumed by, or marketed to children or youth, such as a specific candy or baked treat; or (2) occur in the shape of a Cartoon, human or any other animate creature including an insect, toy, fruit, vehicle or robot.
- ii) Packaging or labeling that (1) resembles packaging or labeling of a non-cannabis consumer product of a type that is typically consumed by, or marketed to, children or youth; (2) contains images depicting a Cartoon, human or any other animate creature including an insect, toy, fruit, vehicle, or robot, or images of a candy or a baked good resembling a non-cannabis consumer product of a type that is typically consumed by, or marketed to, children or youth, (3) contains text referring to a Cartoon, or any other animate creature including an insect, toy, fruit, vehicle or robot, (4) contains any images, characters, or phrases that closely resemble images, characters, or phrases popularly used to advertise to children; or (5) describes any characterizing flavor; except that, for edible products only, terms such as “lemon-flavored” describing a characterizing flavor may be used in font sizes that do not exceed that of the largest word in the “Warning” on the packages.
- iii) Advertising that (1) mimics advertising of a non-cannabis consumer product of a type that is typically consumed by, or marketed to children or youth; (2) depicts a Cartoon, or any non-human animate creature including an insect, toy, fruit, vehicle or robot, candy, baked goods, vehicles or robots typically marketed to youth; (3) uses actors or human characters who appear to be under age 21 or are under age 25; or (4) or includes celebrities who specifically appeal to youth.

Public Health and Safety Practice:

Advertising

- **No banners, sandwich boards, flags, billboards, placards, and no persons waiving signs.**
- no graphics containing cannabis or products
- **Signs:** Notwithstanding other sections of the code for signs, a retail cannabis establishment shall be limited to one exterior building sign per business location to identify the business as a retail cannabis establishment in compliance with the following standards:
 - a) Sign may include only the name of business and one green cross.
 - b) Sign area maximum of 20 square feet, or one square foot per linear frontage of the business; whichever is less.
 - c) Sign may not have any reference, through symbols or language, to cannabis except for one green cross.
 - d) Sign shall not be directly illuminated except during operating hours

e) Sign shall otherwise be subject to Planning Commission review through a Sign Permit Application in accordance with Section 17.132.”

Product restrictions:

- All licensees are prohibited from creating edible products in the shape of a human, animal, fruit or any youth friendly depiction.
- No flavored combustible products (intended for inhalation or vaporization)

Packaging restrictions:

Add language from Packaging of Cannabis, page 25, Section O, number 2 related to product packaging.

Access restrictions:

- **Independent Access.** A retail cannabis establishment shall have an independent exterior entrance that is not shared with any other business or residence (**Conditional Use Permit.**)

Business Scoring:

- Part of business scoring to include:
 - Applicant has been a local resident for the previous three years;
 - Previous legal local cannabis retail experience;
 - No previous cannabis retail experience leading to significant complaints or civil or criminal proceedings;
 - Minority- or woman-owned business;
 - Pays a living wage as set by City Council and further described in Chapter 5.10;
 - Provides employee benefits;
 - Provides free or reduced cost medical cannabis to low-income patients;
 - Green Business certification;
 - Use of energy from clean energy sources;
 - Carries predominantly locally produced products;
 - Quality of operations plan;
 - Other community benefits.
- In application packet require an employee training component that addresses occupational issues associated health risks, transference or exposure to THC and risk of misuse and/or addiction.

Additional Signage:

Cannabis Retailers shall post a sign near their entrances and exits providing notice of “No smoking”

NO SELF-SERVICE DISPLAYS. Cannabis Retailing by means of a Self-Service Display is prohibited including vending machines.