



Agenda Item No. 7

- An Ordinance of the City Council of the City of Calexico, California Amending Title 17 (Zoning), Chapter 17.11, Article X of the Calexico Municipal Code Regulation Commercial Cannabis Activity
- An Ordinance of the City Council of the City of Calexico, California Amending Title 5 (Business Licenses and Regulations), Article II, Chapter 5.96 of the Calexico Municipal Code Regulating Commercial Cannabis Activity

I.

Current State Law on Cannabis

Current State Law on Cannabis

- **Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”)**
 - Comprehensive system to control and regulate cultivation, distribution, transport, storage, manufacturing, processing, and sale of medicinal and adult-use cannabis.

Current State Law on Cannabis

- **MAUCRSA**
 - Licensing Authorities
 - Bureau of Cannabis Control
 - Distribution (including transportation and storage unrelated to manufacturing), testing, microbusinesses, retail sale & delivery
 - Dept. of Food and Agriculture
 - Cultivation
 - Dept. of Public Health
 - Manufacturing

Current State Law on Cannabis

- **MAUCRSA**
 - Licensing Types
 - M – medical; A – adult use (21+)
 - 28 licensing types
 - 18 cultivation
 - Size - < 5,000 sf – 22,000 sf
 - Indoor vs. outdoor
 - 5 manufacturing
 - Non-volatile solvents
 - Volatile solvents
 - Shared Use (Type S)
 - Infusion (Type N)
 - Package (Type P)
 - 1 testing laboratory
 - 2 retailer (storefront and non-storefront)
 - 1 distributor
 - 1 microbusiness

Current State Law on Cannabis

- **MAUCRSA**
 - Commercial cannabis activity can only occur between licensees
 - No alcohol may be served on premises
 - “Track and trace” system
 - To report cannabis movement throughout the distribution chain using a unique identifier, secure packaging, licensee receiving product, transaction date, cultivator from which product originates.
 - Laws regulating retailers, distributors, testing laboratories, deliveries, manufacturers, cultivators

Current State Law on Cannabis

- **MAUCRSA**
 - Local control
 - Cities can adopt and enforce local ordinances to regulate these businesses.

II.

Current Regulations
in Calexico

**Current Regulations
in Calexico**

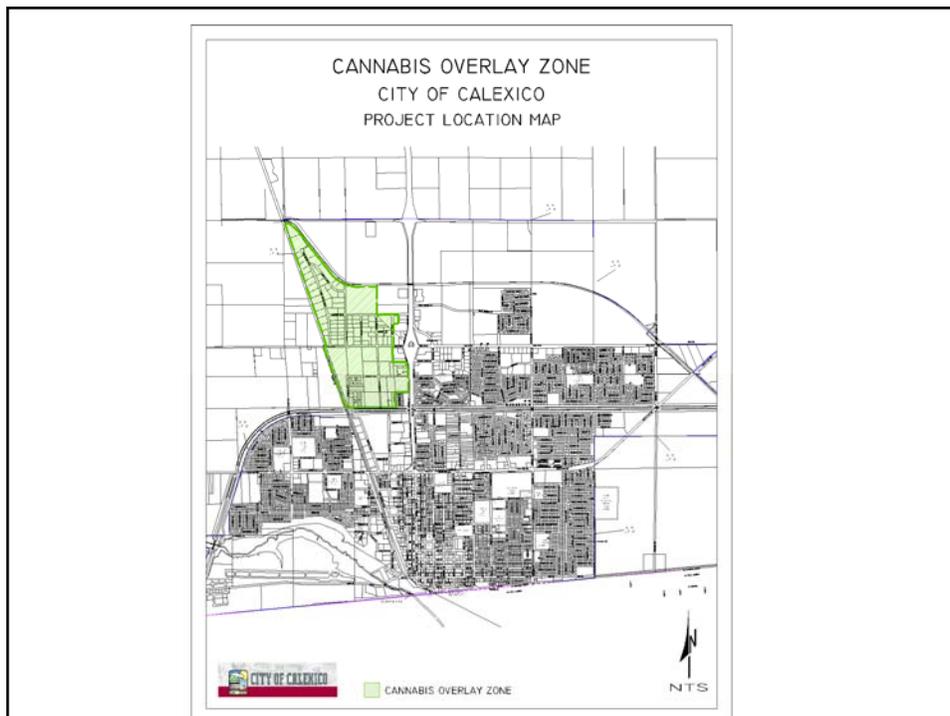
• Ordinance 1177

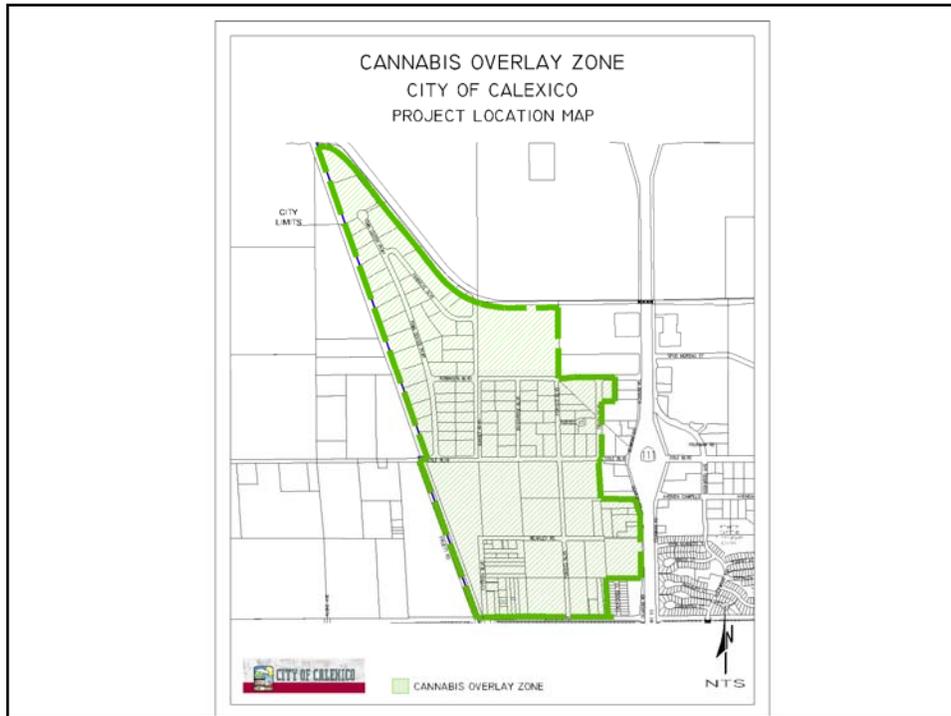
- Adopted on July 5, 2017
- Amends Title 17 (Zoning), Chapter 17.11, Article X of Municipal Code
- Regulates cultivation, manufacturing, testing, and distribution of medicinal and adult-use cannabis.
- Delivery and retail sales are prohibited.
- Cultivation, manufacturing, testing, and distribution allowed in Cannabis Overlay District – 354.02 acres.
- Facility shall be at least 5,000 sf; shall be located at least 600 feet from a sensitive receptor.
- City authorizes up to 10 applicants per category to operate, each applicant can operate up to 2 business types.

Current Regulations in Calexico

- **Ordinance 1178**

- Adopted on July 5, 2017.
- Amends Title 5 (business licenses and regulations), Chapter 5.96, Article II of the Municipal Code.
- Regulatory permit requirements for cultivation, manufacturing, testing, distribution.
- Regulatory permit application elements:
 - Financial information
 - Security plan
 - Comprehensive business operations plan





Current Regulations in Calexico

- Cultivation
- Manufacturing
- Testing
- Distribution

Current Regulations in Calexico

- **Limitations (Apply All)**
 - Cannabis Overlay District only
 - Need Development Agreement or Conditional Use Permit
 - Must be 600 feet away from schools
 - Only 10 businesses are allowed
 - Each applicant may only apply for any operation 2 cannabis businesses in the City

III.

**The Proposed Ordinances Would Expand
the Cannabis Business Types allowed in
the City's Cannabis Overlay District**

Expansion of Cannabis Business Types

- Retailer (Dispensary)
- Retailer (Delivery)
- Non-storefront retailer
- Microbusiness
- Nursery
- Shared-use facility

Expansion of Cannabis Business Types

- **Retailer (Dispensary)**
 - Sells cannabis to customers
 - Limited access areas/retail areas
 - Hours of operation – 6:00am–10:00pm
 - No alcohol; No free samples
 - Opaque exit packaging
 - Delivery
 - Must be 600 feet from schools
 - Only 5 retail-type businesses allowed (retailers, non-storefront retailers or microbusinesses)

Expansion of Cannabis Business Types

- **Retailer (Delivery)**
 - Only to physical address
 - Delivery vehicle requirements (locked area)
 - Cannabis goods carried during delivery
 - Not in excess of \$10,000 in product
 - Delivery inventory ledger
 - Log of all stops
 - Delivery request receipt
 - No consumption during delivery

Expansion of Cannabis Business Types

- **Non-storefront retailer**
 - Provides cannabis exclusively through delivery
 - No customers at business location; closed to the public
 - Must be 600 feet from schools
 - Only 5 retail-type businesses allowed (retailers, non-storefront retailers or microbusinesses)

Expansion of Cannabis Business Types

• Microbusiness

- Cultivation on area less than 10,000 sf
- Distributor
- Level 1 manufacturer (non-volatile solvents)
 - Extraction, infusion, packaging and/or labeling
 - List of products
- Retailer
- At least three (3) of the above
- Manufacturing and cultivation must be separated from retail

Expansion of Cannabis Business Types

• Nursery

- Type of cultivation
- Produces only clones, immature plants, seeds, and other agricultural products used specifically for cultivating cannabis

Expansion of Cannabis Business Types

- **Shared-use facility**
 - Manufacturing premises registered by primary permittee at which multiple manufacturers may operate at separate times
 - Primary permittee will assign designated area to be used as shared space.
 - Occupancy schedule
 - One permittee at a time
 - Only 15 businesses allowed

Expansion of Retail Opportunities

- **Special/Temporary Event Permit**
 - Event organizer must first obtain State licenses
 - Abide by City cannabis regulations
 - Obtain special event permit from City
 - Limited to up to four (4) days
 - On-site sale and consumption is authorized
 - 21+ only

Questions?