



**COUNTY OF RIVERSIDE
PLANNING DEPARTMENT
STAFF REPORT**

Agenda Item No.

4.1

Planning Commission Hearing: June 20, 2018

PROPOSED PROJECT

Case Number(s): Ordinance No. 348.4862

Applicant(s): County of Riverside

Select Environ. Type CEQA Exempt

Area Plan: Countywide

Zoning Area/District: Countywide

Supervisory District: All Districts


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PROJECT DESCRIPTION, PURPOSE AND LOCATION

Ordinance No. 348.4862 is an amendment to Riverside County's Land Use Ordinance No. 348, which replaces Article XIXh in its entirety with "COMMERCIAL CANNABIS ACTIVITY PERMITS". The purpose and intent of this amendment is to establish regulations and development standards to permit Cannabis activities in the unincorporated areas of the County of Riverside per the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA") by providing a means for regulating the cultivation, manufacturing, processing, testing, transporting, delivery, and distribution of medical and adult-use Cannabis and medical and adult-use Cannabis-related products in a manner which is responsible, which protects the County's neighborhoods, residents, and businesses from negative impacts, which protects the health, safety, and welfare of the residents of the unincorporated area of the County, and to enforce rules and regulations consistent with state law. Additionally, the amendment establishes the permitting, development standards and operational requirements for commercial Cannabis activities. In addition to Amendments to Article XIXh, the necessary edits to other affected sections within Ordinance No. 348 have been made.

For the purposes herein, Cannabis activities include medicinal and adult-use Cannabis activities, unless specifically addressed independently.

The proposed ordinance amendment will apply in all unincorporated areas of the County.

No decision has been made by the Board on the regulatory framework RECOMENDED in this document. Currently, unless or until new regulations are approved by the Board of Supervisors and become effective, marijuana dispensaries, deliveries, and cultivation with a limited exception for small amounts of cultivation for medical purposes in specified circumstances, are prohibited in the unincorporated area of the County. For the purposes of this report, any reference to cultivation, unless specifically indicated otherwise, refers to 'Cannabis Cultivation'.

Ordinance No. 348.4862 is included herein as Attachment A in its entirety, and the following highlights some of the recommended definitions, development standards and operational requirements:

1. PROHIBITED ZONES:

All Commercial Cannabis Activities are prohibited in the following in the R-R, R-R-O, R1, R-1A, R-A, R-2, R2-A, R-3, R-3A, R-T, R-T-R, R-4, R-5, R-6, R-7, C/V, C-C/V, WC-R, WCR, WC-E W-2, R-D, N-A, W-2-M, W-1, W-E and MU Zones.

2. TYPES OF CANNABIS ACTIVITIES DEFINED:

- **Cannabis Cultivation.** Any activity involving the planting, growing, harvesting, drying, curing, grading or trimming of Cannabis.
- **Cannabis Wholesale Nursery.** A site that produces only clones, immature plants, seeds, or other agricultural products used specifically for the planting, propagation, and cultivation of Cannabis. Cultivation as a Cannabis Wholesale Nursery may be considered outdoor, indoor or mixed-light cultivation.
- **Cannabis Retailer.** A facility where Cannabis, Cannabis products, or devices specifically for the use of Cannabis or Cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers Cannabis and Cannabis products as part of a retail sale. Cannabis retailers may include mobile delivery but shall not include mobile dispensaries. Cannabis Retailers were formerly known as Cannabis dispensaries. Non storefront Cannabis Retailers are not open to the public. Store front Cannabis Retailers are open to the public.
- **Cannabis Microbusiness Facility.** A facility where an operator may be permitted for multiple commercial Cannabis activities under one permit. With a permit for a microbusiness, an operator is allowed to cultivate up to 10,000 square feet of indoor Cannabis, perform manufacturing activities with non-volatile solvents, act as a licensed distributor and a Cannabis retailer. The Cannabis Microbusiness must be permitted for at least three of the above activities.
- **Cannabis Manufacturing Facility (Non-Volatile).** A facility requiring a Type 6, State manufacturing license, that compounds Cannabis or Cannabis products either directly or indirectly or by extraction and/or infusion methods, or independently by means of chemical synthesis or by a combination of extraction and/or infusion and chemical synthesis, using non-volatile organic compounds, at a fixed location, that packages or repackages Cannabis or Cannabis products, or labels or relabels its containers. Cannabis manufacturing also includes any processing, preparing, holding, or storing of components and ingredients.
- **Type N Cannabis Manufacturing Facilities** only produce edible or topical products or other types of Cannabis products other than extracts or concentrate using infusion processes.
- **Type P Cannabis Manufacturing Facilities** only package or repackage Cannabis products or label or relabel the Cannabis product container or wrapper.

- **Cannabis Manufacturing Facility (Volatile).** A facility requiring a Type 7 state manufacturing license that processes, produces, prepares, propagates, holds, stores, packages, labels, or compounds Cannabis or Cannabis products either directly or indirectly or by extraction and/or infusion methods, or independently by means of chemical synthesis or by a combination of extraction and/or infusion and chemical synthesis, using volatile organic compounds, (ex: butane, hexane, pentane) at a fixed location, that packages or repackages Cannabis or Cannabis products, or labels or relabels its containers. Cannabis manufacturing also includes any processing, preparing, holding, or storing of components and ingredients.
- **Shared-Use Cannabis Manufacturing Facility** is primarily operated by a Non Volatile Manufacturer (Type 6), A Volatile Manufacturer (Type 7) or Type N Manufacturer who may lease or share space with the holder of a Type S (shared space only) State license. The conditional use permit will be issued to the primary operated as a shared use facility and be required to indicate numbers of and identify what uses will be included within the shared spaces.
- **Cannabis Distribution Facilities.** A facility engaged in the storage of Cannabis or Cannabis products, for later distribution to permitted and licensed Cannabis Manufacturing Facilities, Cannabis Testing Facilities, or Cannabis Retailers.
- **Cannabis Testing Facility.** A laboratory, facility, or entity that offers or performs tests of Cannabis or Cannabis products.

3. TYPES OF CANNABIS ACTIVITIES PROHIBITED:

- Outdoor cultivation of mature plants.
- Mobile Cannabis Retailers.
- Any Commercial Cannabis Activity that is not expressly provided for in both an approved conditional use permit and a valid Cannabis license issued by the State.

4. TYPES OF CANNABIS ACTIVITIES ALLOWED:

CANNABIS CULTIVATION

- A. Lots permitted for Cannabis Cultivation operations shall not be located within 1,000 feet of any Child Day Care Center, K-12 school, public park, or Youth Center.
- B. All Cannabis Cultivation activities that utilize artificial light are required to address the energy demand for their cultivation by providing on-site renewable energy generation designed to have a generation potential equal to or greater than 20-percent of the anticipated energy demand.

- C. All Cannabis Cultivation operations shall include adequate measures that minimize use of water for cultivation on the lot. Water conservation measures, water capture systems, or grey water systems shall be incorporated into the operations in order to minimize use of water where feasible.
- D. All Cannabis Cultivation structures, including buildings, greenhouses, hoop structures, etc. shall be subject to building permit requirements.
- E. For the purposes of Cannabis Cultivation in the unincorporated area of Riverside County, Cannabis is not considered an agricultural commodity with respect to Ordinance No. 625, the Right-to-Farm ordinance, and is not considered Farmland or Agriculture as those terms are defined in the Riverside County General Plan or Ordinance No. 625.
- **Indoor Cannabis Cultivation**, is allowed as follows and shall be within a fully enclosed building and be setback from lot lines and rights-of-ways in accordance with the development standards for the zone classification in which it is located. When an Indoor Cannabis Cultivation facility is located adjacent to a residentially zoned lot the minimum setback shall be 25 feet.
 - Specialty Cottage Indoor Cannabis Cultivation, up to 500 square feet of canopy area is allowed in the following zones: C-1/C-P, C-P-S, I-P, M-SC, M-M, MH, A-1, A-P, A-2 and A-D.
 - Specialty Indoor Cannabis Cultivation, up to 5,000 square feet of canopy area is allowed in the following zones: C-1/C-P, C-P-S, I-P, M-SC, M-M, MH, A-1, A-P, A-2 and A-D.
 - Small Indoor Cannabis Cultivation, up to 10,000 square feet of canopy area is allowed in the following zones: C-1/C-P, C-P-S, I-P, M-SC, M-M, MH, A-1, A-P, A-2 and A-D.
 - Medium Indoor Cannabis Cultivation, up to 22,000 square feet of canopy area is allowed in the following zones: I-P, M-SC, M-M and M-H.
 - **Mixed Light Cannabis Cultivation**, is allowed as follows and shall be within hoop structures, greenhouses and other similar structures and be setback from lot lines and rights-of-ways a minimum of 50 feet. When a Mixed Light Cannabis Cultivation facility is located adjacent to a residentially zoned lot the minimum setback shall be 100 feet.
 - Specialty Cottage Mixed Light Cannabis Cultivation, up to 2,500 square feet of canopy area, on lots one gross acre or more, is allowed in the following zones: A-1, A-P, A-2 and A-D.
 - Specialty Mixed Light Cannabis Cultivation, up to 5,000 square feet of canopy area, on lots one-and one half gross acre or more, is allowed in the following zones: A-1, A-P, A-2 and A-D.

- Small Mixed Light Cannabis Cultivation, up to 10,000 square feet of canopy area, on lots two and one-half gross acre or more, is allowed in the following zones: A-1, A-P, A-2 and A-D.
- Medium Mixed Light Cannabis Cultivation, up to 22,000 square feet of canopy area, on lots five acres or more, is allowed in the following zones: A-1 and A-2.

CANNABIS WHOLESALE NURSERIES

- A. Lots permitted for Cannabis Wholesale Nurseries shall not be located within 600 feet of any Child Day Care Center, K-12 school, public park, or Youth Center.
- B. Mature Cannabis Plants as defined by the California Department of Food and Agriculture are not allowed to be grown, kept, stored or sold at any Cannabis Wholesale Nursery.
- C. No other Commercial Cannabis Activity shall be allowed on a lot that has an approved conditional use permit for a Cannabis Wholesale Nursery.
- D. Cannabis Wholesale Nurseries that utilize artificial light are required to address the energy demand for their cultivation by providing on-site renewable energy generation designed to have a generation potential equal to or greater than 20-percent of the anticipated energy demand.
- E. Cannabis Wholesale Nurseries shall include adequate measures that minimize use of water for cultivation on the lot. Water conservation measures, water capture systems, or grey water systems shall be incorporated into the operations in order to minimize use of water where feasible.
- **Cannabis Wholesale Nurseries**, are allowed as follows and may be outdoors, indoors or mixed light and shall be setback from lot lines and rights-of-ways a minimum of 50 feet.
 - Outdoor Cannabis Wholesale Nurseries, on lots one gross acre or more, are allowed in the following zones: A-1, A-P, A-2 and A-D.
 - Indoor Cannabis Wholesale Nurseries are allowed in the following zones: I-P, M-SC, M-M and M-H.
 - Mixed Light Cannabis Wholesale Nurseries, on lots one gross acre or more, are allowed in the following zones: A-1, A-P, A-2 and A-D.

CANNABIS MANUFACTURING FACILITIES

- A. Lots permitted for Cannabis Manufacturing Facilities shall not be located within 600 feet of any Child Day Care Center, K-12 school, public park, or Youth Center.

- B. Cannabis Manufacturing Facilities shall not manufacture Cannabis edible products in the shape of animals, people, insects, or fruit.
- C. Consistent with the M-SC, M-M and the M-H Zones, the minimum lot size for a Cannabis Manufacturing Facility shall be 10,000 square feet with a minimum average width of 75 feet, except that a lot size not less than 7,000 square feet and an average width of not less than 65 feet may be allowed when sewers are available and will be utilized by the Cannabis Manufacturing Facility.
 - **Non-Volatile Cannabis Manufacturing Facilities**, requiring a Type 6 State license, are allowed in the following zones: I-P, M-SC, M-M and M-H and must comply with the setback standards for the zone classification they are located in, except when adjacent to a residential zone where the minimum setback from the residentially zoned lot lines shall be 25 feet.
 - **Type N Cannabis Manufacturing Facilities**, requiring a Type N State license are allowed in the following zones: I-P, M-SC, M-M and M-H and must comply with the setback standards for the zone classification they are located in, except when adjacent to a residential zone where the minimum setback from the residentially zoned lot lines shall be 25 feet.
 - **Type P Cannabis Manufacturing Facilities**, requiring a Type N State license are allowed in the following zones: I-P, M-SC, M-M and M-H and must comply with the setback standards for the zone classification they are located in, except when adjacent to a residential zone where the minimum setback from the residentially zoned lot lines shall be 25 feet.
 - **Volatile Cannabis Manufacturing Facilities**, requiring a Type 7 State license, are allowed in the following zones: I-P, M-SC, M-M and M-H and must comply with the setback standards for the zone classification they are located in, except when adjacent to a residential zone where the minimum setback from the residentially zoned lot lines shall be 25 feet.

CANNABIS TESTING FACILITIES

- A. Lots permitted for Cannabis Testing Facilities shall not be located within 600 feet of any Child Day Care Center, K-12 school, public park, or Youth Center.
- B. Cannabis Testing Facilities 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 and regulations.
- C. No other Commercial Cannabis Activity shall be allowed on a lot that has an approved conditional use permit for a Cannabis Testing Facility.
- D. All Cannabis Testing Facilities shall comply with the setback and lot size standards for the zone classification they are located in, except when adjacent to a residential zone where the minimum setback from the residentially zoned lot lines shall be 25 feet.

- **Cannabis Testing Facilities**, are allowed in the following zones: C1/C-P, C-P-S, I-P, M-SC, M-M, and M-H.

CANNABIS RETAILER

- A. Lots permitted for Cannabis Retail Facilities shall not be located within 600 feet of any Child Day Care Center, K-12 school, public park, or Youth Center.
- B. Cannabis Retailers – Storefront and Non-Storefront shall comply with the setback and lot size standards for the zone classification they are located in, except when adjacent to a residential zone where the minimum setback from the residentially zoned lot lines shall be 40 feet.
- C. Mobile Cannabis Retailers are prohibited in all zone classifications.
- D. Entrances into the retail location of the Cannabis Retailer shall be separate from the reception area and locked at all times with entry strictly controlled.
- E. Entrances into the retail location of a Cannabis Retailer that possess an A-License and a M-License from the State shall be separate and distinct from each other and proper signage shall be placed at each entrance indicating that no one under the age of 18 shall be allowed entrance into the M-Licensed retail location and no one under the age of 21 shall be allowed entrance into the A-Licensed retail location.
- F. Cannabis Retailers shall ensure that all Cannabis and Cannabis Products held for sale by the Cannabis Retailer are cultivated, manufactured, transported, distributed, and tested by California licensed and permitted facilities that are in full conformance with State and local laws and regulations.
- G. Cannabis Retailers with an approved conditional use permit may provide deliveries of Cannabis Products consistent with State law.
 - **Cannabis Retailers**, are allowed in the following zones: C-1/C-P, C-PS, I-P, M-SC, M-M and M-H.

CANNABIS DISTRIBUTION FACILITIES

- A. Lots permitted for Cannabis Distribution Facilities shall not be located within 600 feet of any Child Day Care Center, K-12 school, public park, or Youth Center.
- B. Cannabis Distribution Facilities shall comply with the setback and lot size standards for the zone classification they are located in, except when adjacent to a residential zone where the minimum setback from the residentially zoned lot lines shall be 25 feet.

- C. Cannabis and Cannabis Products shall only be transported between permitted and licensed Commercial Cannabis Activities.
- D. Cannabis Distribution Facilities shall ensure that appropriate samples of Cannabis or Cannabis Products are tested by a permitted and licensed testing facility prior to distribution and shall maintain a copy of the test results in its files.
- E. Cannabis Distribution Facilities shall not be open to the public.
 - o **Cannabis Distribution Facilities**, are allowed in the following zones: are allowed in the following zones: C-1/C-P, C-PS, I-P, M-SC, M-M and M-H.

CANNABIS MICROBUSINESS FACILITIES

- A. Lots permitted for Cannabis Microbusiness Facilities shall not be located within 600 feet of any Child Day Care Center, K-12 school, public park, or Youth Center.
- B. All Cannabis Microbusiness Facilities shall comply with the setback standards for the zone classification they are located in, except when adjacent to a residential zone where the minimum setback from the residentially zoned lot lines shall be 25 feet. In the event that a Cannabis Microbusiness Facility includes retail sales of Cannabis, then the minimum setback from residentially zoned lot lines shall be 40 feet.
- C. Cannabis Microbusiness Facilities shall comply with the operational requirements apply to the specified uses authorized by the approved conditional use permits, and the water and energy conservation standards as applicable to Cannabis Microbusiness Facilities that includes cultivation.
 - o **Cannabis Microbusiness Facilities**, are allowed in the following zones: C-1/C-P, C-P-S, I-P, M-SC, M-M and M-H, except in the instance that a Cannabis Microbusiness includes manufacturing uses where such Cannabis Microbusiness is allowed in the I-P, M-SC, M-M and M-H zones.

TEMPORARY CANNABIS EVENT

The Planning Director shall approve an application for a temporary Cannabis event permit if certain criteria are met, including but not limited to the following:

- A. Lots permitted for Cannabis Microbusiness Facilities shall not be located within 1,000 feet of any Child Day Care Center, K-12 school, public park, or Youth Center.
- B. The temporary Cannabis event will take place on County Fair property or District Agricultural Association property.

- C. The temporary Cannabis event will not occur during the hours of 12:00 a.m. to 6:00 a.m.
- D. The temporary Cannabis event is setback a minimum of 100 feet from lot lines.
- E. The sale or consumption of alcohol or tobacco is not allowed at the location of the temporary Cannabis event.
- F. Access to the area(s) where sale or consumption of Cannabis occurs is restricted to persons 21 years of age or older.

5. PERMIT REQUIREMENTS:

- All Cannabis related activities are subject to, but not limited to, the following requirements:
 - Obtain a Conditional Use Permit from the County
 - Enter into a Development Agreement with the County (Requires Board approval)
 - Obtain the applicable State license(s)
 - Operate in a manner that prevents nuisance odors from being detected offsite
 - 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 Commercial Cannabis Activity
 - Maintain clear and adequate records and documentation demonstrating that all Cannabis or Cannabis Products have been obtained from and are provided to other permitted and licensed Cannabis operations
 - Obtain a 'Will Serve' letter from the applicable water purveyor, indicating agreement to supply water for the Commercial Cannabis Activity
 - Comply with all applicable local and State laws, ordinances and regulations including, but not limited to:
 - The California Environmental Quality Act
 - Building Codes
 - Fire Codes
 - Riverside County Ordinance No. 457
 - Riverside County Ordinance No. 657
 - Airport Land Use Compatibility Plans
 - Weights and measures regulations
 - Track and trace requirements
 - Pesticide use
 - Water quality
 - Storm water discharge

- The grading of land

PROJECT RECOMMENDATION

STAFF RECOMMENDATIONS:

THAT THE PLANNING COMMISSION RECOMMENDS THAT THE BOARD OF SUPERVISORS TAKE THE FOLLOWING ACTIONS:

FIND that the project is **EXEMPT** from the California Environmental Quality Act (CEQA), pursuant to Senate Bill 94, the Medical Cannabis Regulation and Safety Act (MCRSA), which exempted from the California Environmental Quality Act, until July 1, 2019, the adoption of a specified ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, license, or other authorizations to engage in commercial Cannabis activity. All commercial Cannabis activities will be subject to obtaining discretionary land use approval, and accordingly this project has been determined to be generally exempt from the California Environmental Quality Act (CEQA) pursuant to Section 26055(h) of the California Business and Professions Code.

ADOPT Ordinance No. 348.4857 based upon the findings and conclusions incorporated in the staff report.

or

CONTINUE the Public Hearing until July

PROJECT DATA

Land Use and Zoning: This Ordinance applies to the entire unincorporated area of the County of Riverside.

PROJECT BACKGROUND AND ANALYSIS

Background:

Cannabis was first legalized for medical use in 1996 with the passage of Proposition 215, known as The Compassionate Use Act of 1996. The passage of this act exempted patients and defined caregivers who possessed or cultivated marijuana (Cannabis) for medical treatment, recommended by a physician, from criminal laws which otherwise prohibit possession or cultivation of Cannabis.

In 2004, the California Legislature enacted Senate Bill 420 to clarify the scope of Proposition 215, and to provide qualifying patients and primary caregivers who collectively or cooperatively cultivate marijuana for medical purposes with a limited defense to certain specified State criminal statutes.

In October 2006, the Riverside County Board of Supervisors adopted Ordinance No. 348.4423 prohibiting medical marijuana dispensaries in all zone classifications. Then, in May 2015, the Board adopted Ordinance No. 348.4802 clarifying that marijuana cultivation is also prohibited in all zone classifications. That same year in June 2015, the board adopted Ordinance No. 925 declaring marijuana cultivation to be public nuisance and prohibited in the unincorporated areas of the County of Riverside.

In September 2015, California enacted the Medical Cannabis Regulation and Safety Act (MCRSA), which consisted of three separate bills. The approval of this act crafted a comprehensive licensing and regulatory framework for the cultivation, manufacture, transportation, storage, distribution, and sale of medical Cannabis. Additionally, MCRSA added a section to the Business and Professions Code authorizing counties that choose, to impose a tax on specified Cannabis activities.

Approximately a year later, on June 27, 2016 Governor Jerry Brown signed SB 837, changing the term “marijuana” to “Cannabis” and renaming the Medical Cannabis Regulation and Safety Act (MCRSA).

That same year, on November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act (AUMA). AUMA immediately legalized the use and cultivation of Cannabis for personal consumption (allowing of 6 plants for personal use) and legalized the commercialization and taxation of Cannabis, including medical Cannabis, beginning January 1, 2018. Additionally, AUMA allowed the Legislature to adopt laws to license and tax commercial Cannabis activities; and permitted local control of adult use Cannabis land uses and reasonable regulation of personal cultivation (6 plants for personal use).

The Board of Supervisors held a workshop on March 21, 2017, to discuss the Adult Use of Marijuana Act (Proposition 64 or “AUMA”). At the conclusion of the workshop, Supervisors Jeffries and Washington were appointed by the Chairman as an ad-hoc committee to work with the County Executive Office and County departments to study and develop options for the Board to consider regarding Cannabis businesses and Cannabis activities.

Then, on June 27, 2017, the Governor approved Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). This bill consolidates provisions from MCRSA and AUMA and creates one regulatory system for commercial Cannabis activity. The new system under MAUCRSA prioritizes consumer safety, public safety and tax compliance.

Commercial Cannabis activities are currently prohibited in the unincorporated areas of Riverside County. Despite a County prohibition of commercial Cannabis activities, multiple dispensaries and cultivation activities have been established within unincorporated areas of the County. Research of existing retail establishments has shown that there are also several active retail storefronts in the unincorporated area.

Although the exact number is unknown, multiple reports of outdoor, hoop structure, and indoor cultivation operations have also been reported. Costs associated to truly enforce a full ban of Cannabis activities in Riverside County would be high. There is no current identified funding source to support the costs associated with enforcement activities and accordingly Riverside County has not had success in enforcing such activity. Additionally, the decriminalization of Cannabis in California has shifted the methods and staffing required for enforcement action against those operating outside of local jurisdictional regulations.

Knowing that Cannabis is a rapidly growing business industry and is currently occurring illegally in the County today, an enforcement strategy is necessary to effectively contain this industry in the community. However, the Board Ad Hoc Committee recognized that funding to properly enforce these business activities must be identified. In an effort to provide both, a regulatory framework for commercial Cannabis to legally operate within the County and a revenue source for enforcement against Cannabis operators acting outside of such a regulatory framework, on August 29, 2017, at the recommendation of the Board Ad Hoc Committee, the Board of Supervisors, at an open public meeting, directed staff to bring forward ordinance amendments or a new ordinance to establish a proposed comprehensive regulatory framework for Cannabis businesses and Cannabis activities subject to approval of permits issued by the County and pursuant to standards, conditions, and requirements in the proposed ordinance amendments and ordinances within the jurisdictional boundaries of Riverside County.

Given the dynamic landscape surrounding this issue most recently, on March 20, 2018, at the request of the Board Ad Hoc Committee, Staff presented the Board with an update to discuss progress on a regulatory framework for Cannabis related businesses. It was critical to determine if the Board desired staff to continue to work on development of an ordinance and if so provide staff with policy direction on the regulatory requirements to be contained in the ordinance. Recommendations were also presented to the Board that included:

- What Cannabis related businesses should be allowed to be permitted in the unincorporated areas of Riverside County, Including cultivation (indoor and mixed light while prohibiting, outdoor), manufacturing/processing, testing, distributing, and retail sales of Cannabis and Cannabis products.
- Where Cannabis related businesses should be allowed to be permitted and buffers to existing sensitive receptors.
- Implementing a phase-in program and a temporary cap on permits so that the County can consider and process applications in an orderly manner.

The Board Ad Hoc Committee also asked the Board to consider what approach Riverside County should take in generating revenue from Cannabis related businesses, taxes or development agreements.

At the March 20, 2018 Board meeting the Board voted to direct staff to continue to work on development of an ordinance, based on the Staff's update and report and to bring a Request for Proposal (RFP) and

development agreement process forward for their consideration. The Staff report for that Board update is included as Attachment B.

Although licenses issued by the State for cultivators, manufacturers, retailers, distributors, microbusinesses, testing laboratories are now in effect as of January 1, 2018 and businesses can begin operating in California's newly-legal commercial Cannabis market, local approval is required for a State license to be issued. Depending on the number and timing of public hearings on this ordinance and if an ordinance is ultimately adopted by the Board, Staff estimates that no Commercial Cannabis Activity Permits will make it through the entire approval process until at least June of 2019.

Analysis:

In order to protect the public health, safety and environmental resources, but still provide a regulatory path, that could advance a healthy, diverse and economically viable Cannabis industry that contributes to the local economy, enhance enforcement methods for unpermitted and trespass Cannabis activities, and ensure that environmental, public health, safety and nuisance factors related to the Cannabis industry are adequately addressed; Since September 2017, at the direction of the Board, Staff has been collecting data, reviewing existing ordinances and uses, analyzing the legal climate and preparing a the draft Cannabis land use ordinance for consideration.

The Board may consider regulating and permitting a variety of commercial Cannabis activities. The State Cannabis license types are independent from each other as well as the proposed County land use permits. Thus, if the Board chooses to regulate commercial Cannabis, for each separate land use activity the Board can choose to prohibit, allow a certain activity, or continue consideration of an activity. Types of activities under consideration include, Cannabis cultivation, nurseries, manufacturing, retail sales, microbusinesses, distribution, testing and temporary events. Each activity brings unique challenges, concerns and impacts. The discussion below highlights many of these unique challenges, concerns and impacts that Staff considered in the creation of the proposed ordinance, concentrating on Cannabis Cultivation and retail sales.

CULTIVATION

Cultivation refers to any activity that involves the planting, growing, harvesting or processing (drying, curing, grading, trimming) of Cannabis. The Cannabis growing categories, that can be considered include, outdoor, indoor, and mixed light. The California Department of Food and Agriculture ("CFDA") is the licensing authority for Cannabis Cultivation in California. Each type of CFDA licensed cultivation category allows for a maximum cultivation canopy area or number of plants. The maximum cultivation canopy size that the CFDA is currently licensing to under a single medium license is an outdoor grow of 43,560 sf (one acre) or 22,000 sf of Indoor or mixed-light cultivation. The State has limited the cultivation canopy size for a single medium license to 43,560 sf until at least the year 2023 when they may be issuing large cultivation licenses. Ambiguous regulations currently exist with regards to cultivation canopy limits. The CDFA regulations, while limiting one (1) person to one (1) Medium Outdoor, or one (1) Medium Indoor, or one (1) Medium Mixed-Light License until January 1, 2023, they have remained specifically silent on small

cultivation licenses. Therefore, one licensee could obtain multiple specialty or small licenses and allow for their cultivation size to exceed the one acre medium license requirement. Prior to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) the CFDA released their medical regulations under the MCRSA (now withdrawn), they placed a four acre statewide cap on plant canopy for cultivators, which cap is now gone under MAUCRSA. Further, the environmental impact report (EIR), for the CFDA Cultivation Licensing Program included a one acre cap in some impact analyses and requirements. But when the CFDA released recent regulations, no cap existed. In addition, in January, California's largest Cannabis farmer organization filed a lawsuit against the CFDA, claiming that the new regulations create a loophole that could allow multiple cultivation licenses and allow for an applicant's grow size to exceed one acre. It appears that Legislators are set to have committee hearings soon where they plan to discuss the cultivation cap. Regulating Cannabis Cultivation could be difficult with the current unknowns related to maximum canopy size on one lot. The potential conflicts above could lead to early regulatory revisions and potential downgrading of allowable permit limits, therefore a careful approach to cultivation canopy limits is prudent. Due to the ambiguity, a recommended one acre maximum for any cultivation type is included in the proposed ordinance.

Careful consideration should be given to the direct and indirect impacts when considering allowing a new land use of any type, especially one that carries with it, unique characteristics related to security, access to children, invasive lighting, and the potential to convert prime food crop farmland to Cannabis Cultivation, due the high value of the Cannabis product. Permitting Cannabis Cultivation brings with it a number of other impacts and requirements that could be cost prohibitive for some to mitigate; for instance, intricate heating, air and ventilation systems, elaborate security systems and screening of the cultivation site. Cannabis Cultivation also uses electricity in many ways, but some of the more common usages per cultivation category are, irrigation, security, artificial lighting, air conditioning, dehumidification and ventilation.

Agricultural lands seem to be a logical option for cultivation activities, particularly outdoor and mixed-light cultivation. But agricultural lands are of great importance and carry many regulatory protections to ensure continued stability and productivity. Riverside County's agricultural lands offer a combination of prime soils, well-suited topography, and availability of water making these lands very attractive to Cannabis Cultivation.

The proposed ordinance distinguishes Cannabis from other agricultural crops or commodities due its unique nature as a controlled substance, requiring increased security measures and the use of artificial lighting in indoor growing environments. Cannabis Cultivation activities require local land approval as well as a State license, unlike other agricultural crops or commodities. Cannabis Cultivation structures, unlike traditional agricultural structures, will be subject to building review and application requirements. As such, all land use regulations that apply to Cannabis are grouped together separately from other agricultural uses the zoning code.

Riverside County's under Ordinance No. 625, the "Right to Farm" Ordinance, which is intended to conserve and protect agricultural operations from being considered a nuisance to non-farmers and to balance the rights of farmers to produce food and other agricultural products with the rights of non-farmers

who own, occupy, or use land within or adjacent to agricultural areas. California defines medicinal and recreational Cannabis as an agricultural product. However, this identification as an agricultural product is limited to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). The identification as an agricultural product does not have to extend to other regulations. For example, Staff recommends that Cannabis not be considered protected as an agricultural crop with respect to Ordinance No. 625 or be considered for permits within Agricultural Preserves or Williamson Act properties. Ordinance No. 509, relating to Agricultural Preserves, and Ordinance No. 625 also include policies that protect agricultural land primarily for production or future agricultural use. If the proposed amendment to Ordinance No. 348 is approved by the Board these ordinances should be carefully reviewed for all local regulations and ordinance amendments prepared to reflect the findings of those reviews.

Riverside County Ordinance No. 348 includes eight agricultural zones with some distinctions between the eight zones as discussed below. Other zones were examined for the potential to include Cannabis Cultivation as a use. The following highlights the potential for Cannabis Cultivation by zone:

Residential Zones

Cannabis Cultivation brings with it many potential impacts that make it incompatible with residential land uses. Odors that emanate from the plant itself, special lighting required in mixed-light cultivation, required operations that would allow for securing a canopy from theft and exposure to youth, noise, bud tending operations and waste, are some of these incompatible impacts and activities. These impacts would affect the quality of life in a residential setting and therefore, permitting Cannabis Cultivation is not recommended in residential zones. Consideration was given to the potential for allowing some cultivation within the R-R, Rural Residential Zone and the W-2, Residential Controlled Development Zone, and the R-A, Residential Agriculture Zone as these zones allow for some agricultural uses and tend to be applied to many large properties throughout the unincorporated County lands.

R-R (Rural Residential Zone)

This Zone allows for a variety of uses including but not limited to single family residences, nurseries, orchards, field and tree crops, the grazing of cattle and farm stock and other animals, farms for the keeping and breeding of animals, planned residential developments, limited public utility uses, home occupations. With a Plot Plan Use Permit, other uses that could be permitted include; commercial and noncommercial fishing lakes, guest ranches and motels, educational institutions, libraries, golf, tennis, polo or country clubs, feed and grain sales, places of religious worship, and garden supply stores, public parks and playgrounds and child day care centers. With the approval of a Conditional Use Permit further uses that could be permitted include; airport or landing field, auto wrecking yards, commercial fairgrounds, commercial stables and riding academies, bars/cocktail lounges, retail pharmacies, other miscellaneous commercial and manufacturing uses. Given the substantial area of the County zoned R-R, (about *492,000 acres), consideration could be given to allowing Cannabis Cultivation in this zone. However, the primary use for these lands is residential with associated small commercial uses meant for rural living and a large amount of these areas have been developed with these uses, scattered throughout the County. The fact that the R-R Zone allows minor agricultural uses was considered, however, these uses do not require a discretionary permit and are therefore, allowed by right, Cannabis Cultivation is not similar

to those uses. Furthermore, much of the R-R Zone possesses General Plan land uses of Conservation Habitat, Rural Mountainous and Open Space Rural. These land uses are generally not compatible with commercial agricultural uses and therefore would generally be incompatible with Cannabis Cultivation. Staff recommends that Cannabis Cultivation of all types be prohibited in the Rural Residential Zone.

R-A (Residential Agriculture Zone)

This is primarily a residential Zones that allows for small family agricultural uses. This Zone allows for a variety of uses including but not limited to single family residences, one-family mobile homes, field and tree crops, planned residential developments, limited public utility uses, home occupations, the noncommercial keeping of horses, cattle, sheep, and goats, poultry, crowing fowl and rabbits for the use of the occupants of the premises only, wholesale nurseries, greenhouses, orchard, aviaries, apiaries, berry and bush crops, and vegetable, flower and herb gardening on a commercial scale; the drying, packing and processing of fruits (other than canning), nuts, vegetables and other horticultural products, The raising or breeding of guinea pigs, parakeets, chinchillas, or other similar small fowl or animals (excluding crowing fowl), the grazing of sheep and the outside storage of materials (depending on lot size). With a Plot Plan Use Permit, other uses that could be permitted include; Beauty shops, public parks, playgrounds and golf courses and child day care centers. With the approval of a Conditional Use Permit further uses that could be permitted include; mobile home parks. Given the area of the County zoned R-A, (about *139,000 acres), consideration could be given to allowing Cannabis Cultivation in this zone. However, a large amount of these areas have been developed with residential uses scattered throughout the County, and the primary use for these lands is residential and small agricultural uses meant for rural living. The fact that the R-A Zone allows minor agricultural uses was considered, however, these uses do not require a discretionary permit and therefore, allowed by right, Cannabis Cultivation is not similar to those allowed uses and many of these areas are exhibit residential uses. Staff recommends that Cannabis Cultivation of all types be prohibited in the Residential Agriculture Zone.

W-2 (Controlled Development Areas)

This Zone allows for a variety of uses depending on the size of the zoned property. In the W-2 Zone lots under one acre allow for uses that include but are not limited to single family residences, field and tree crops, and greenhouses used for the purposes of propagation. For lots greater than 20,000 square feet in area and at least 100-feet wide the noncommercial keeping of horses is allowed in this zone. Other allowed uses include Home occupations. The outside storage of materials is allowed in limited circumstances. On lots greater than one acre in area allowed uses include single family residences, public and private water works facilities, agricultural uses allowed on smaller lots in this zone, as well as nurseries and processing of agricultural products and the grazing of cattle and other farm animals. With a Plot Plan Use Permit, other uses that could be permitted in this zone include; guest ranches, educational institutions, places of religious worship, libraries, tennis and polo clubs and child day care centers. With the approval of a Conditional Use Permit further uses that could be permitted include; Airports or landing fields, commercial fairgrounds, cemeteries, dune buggy parks, hunting clubs, race tracks, recreational vehicle parks, rodeo arenas, commercial stables and riding stables, trailer and boat storage, auction houses and yards, large and small animal hospitals and solar power plants. A large number of W-2 zoned lands, about *584,000 acres, exist in the unincorporated area of the County. Although there is an abundance of Controlled Development Zoned property in the County, much of that land is sandwiched

between BLM, Joshua Tree National Park and Tribal property, developed with residential uses and in areas too remote and steep to allow for the needed infrastructure to support Cannabis Cultivation. Much of those properties also exhibit General Plan Land Uses that are incompatible with Cannabis Cultivation. Permitting Cannabis Cultivation in the W-2 Zone is not recommended by Staff.

C-1/C-P (General Commercial Zone) & C-P-S (Scenic Highway Commercial Zone)

These zones allow for a large variety of brick and mortar commercial uses, including but not limited to retail sales, gasoline service stations, hotels, bars, cocktail lounges, tobacco shops and pool halls, with the approval of a plot plan use permit. Outdoor or mixed light cultivation are not appropriate for these zones but permitted indoor cultivation uses, subject to strict development standards, could be considered. Further, outdoor and mixed-light cultivations are not appropriate for these zones due to the nature of the allowed uses and locations of these types of zones. There is about *1,000 acres of C-1/CP Zoned property and approximately *2,400 acres of property zoned C-P-S, County wide. If indoor Cannabis Cultivation is considered in these zones, appropriate lot sizes that allow for the necessary parking and setbacks, availability of water and power, as well as the ability to makes necessary infrastructure improvements, similar to any other commercial use must be considered. Staff recommends that Specialty Cottage, Specialty and Small indoor cultivation be considered in the C-1/C-P and C-P-S Zones.

C-T (Tourist Commercial Zone)

This Zone allows for a variety of tourist related commercial uses with an approved plot plan use permit, including, automobile service stations, truck service stations, not including the concurrent sale of beer and wine for off-premises consumption, automobile sales, truck sales, new and used, restaurants, drive-in restaurants, bars, curio shops, gift shops, sign, on-site advertising, hotels, motels, dwelling bed and breakfasts, places of religious worship and child day care centers. Cultivation is not appropriate in this zone given the nature of tourist related uses. There is currently limited acreage zoned C-T in the unincorporated County area, less than *90 acres. Care should be taken to expand permitted land uses on this property with tourist related uses, therefore, permitting cultivation of any type is not recommended.

C-R (Rural Commercial Zone)

The C-R Zone is intended to allow for small-scale commercial uses in the outlying areas of the County along rural highways for the convenience of residents and travelers, and because the development standards for these commercial uses should reflect areas where urban services and facilities are generally unavailable and are not likely to be provided in the near future. Because properties exhibiting this zone are currently limited in number, are necessary to provide much needed neighborhood commercial uses and are located along rural highways, permitting Cannabis Cultivation of any type in the C-R Zone is not recommended.

C-O (Commercial Office Zone)

The C-R Zone is intended to fulfill a need in the County of for a zone classification designed to provide areas where primarily professional and administrative offices and related uses may be located. It is the intent that this zone classification ensures that such uses are well designed and landscaped to be harmonious and compatible with surrounding land uses. The following uses are examples of those allowed

with an entitled plot plan use permit; administrative and professional offices, including but not limited to business, law, medical, dental, chiropractic, architectural, engineering, community planning, and real estate offices, in which no activity is carried on catering to retail sales and no stock of goods is maintained for sale, art galleries, libraries, museums, banks, financial institutions, employment agencies, parking lots and parking structures, pharmacies incidental to a professional office building, tourist information centers, day care centers, and places of religious worship. With the approval of a conditional use permit some of the allowable uses are clinics, including but not limited to medical, dental and chiropractic, health and exercise centers, provided all facilities are located within an enclosed building, hotels, resort hotels and motels, laboratories, film, dental, medical, research or testing, restaurants, not including drive-in or take-out restaurants, studios for professional work in or teaching of any form of fine arts. Given the intended purpose of the C-O Zone Cannabis Cultivation is not recommended for this zone.

I-P (Industrial Park Zone)

With a plot plan use permit a variety of industrial and manufacturing related uses, for example; food, Lumber, Wood, and Paper products, textile and leather products, chemical and glass products, metal and electrical products, transportation industries, warehousing and distribution, including mini-warehouses, cold storage facilities, telephone exchanges and switching equipment, post offices, and fire and police stations. Commercial services uses include, banks and financial institutions, laboratories, film, medical, research, or testing centers, office equipment sales and service, and offices, professional sales and service, including business, law, medical, dental, chiropractic, architectural and engineering. Cultivation is not appropriate with the possible exception of permitted indoor cultivation uses, subject to strict development standards. There is about *2,000 acres of I-P zoned property in the unincorporated area of the County. Appropriate lot sizes that allow for the necessary parking and setbacks, availability of water and power, as well as the ability to makes necessary infrastructure improvements, similar to any other industrial use must be considered if indoor Cannabis Cultivation is considered in this zone. Staff recommends that indoor cultivation of all types be considered in the I-P Zone.

M-SC (Manufacturing-Service Commercial Zone)

The intent of this zone is to promote and attract industrial and manufacturing activities which will provide jobs to local residents and strengthen the County's economic base, provide the necessary improvements to support industrial growth, insure that new industry is compatible with uses on adjacent lands; and to protect industrial areas from encroachment by incompatible uses that may jeopardize industry. This Zone allows for agricultural uses of the soils for crops, including the grazing of not more than two mature farm animals per acre and their immature offspring. With the approval of a plot plan use permit a variety of industrial and manufacturing uses are allowed. These uses include; food products, textile products, lumber, wood, paper and leather products, chemicals, stone, clay, glass and concrete products. The following commercial services uses are also allowed; banks and financial institutions, gasoline and diesel service stations, not including the concurrent sale of beer wine for off-premises consumption, laboratories, film, medical, research, or testing centers, office equipment sales and service, offices, professional sales and service, including business, law, medical, dental, chiropractic, architectural, and engineering, parking lots and parking structures, restaurants and other eating establishments, building materials sales yard, places of religious worship and day care centers. The following use are allowed with the approval of a

conditional use permit; meat packing plants, not including slaughtering or rendering of animals, cemeteries, crematories, and mausoleums, paper storage and recycling, not within a building, brewery, distillery, or winery, acid and abrasives manufacturing, recycling of wood, metal, and construction wastes, natural gas storage, above ground, disposal service operations, not including transfer stations, solar power plant on a lots 10 acres or larger and parolee-probationer homes.

There is about *4,800 acres of M-SC zoned property in the unincorporated area of the County. Given the intent of this zone and its purpose to protect industrial and manufacturing areas from encroachment by incompatible uses that may jeopardize industry, cultivation is not appropriate with the possible exception of permitted indoor cultivation uses. Strict development standards that allow for the necessary odor control, security, availability of water and power, as well as the ability to make necessary infrastructure improvements, similar to any other industrial use, must be considered if indoor Cannabis Cultivation is considered. Staff recommends that indoor cultivation of all types be considered in the M-SC Zone.

M-M (Manufacturing-Medium Zone)

The intent of this zone is to promote and attract industrial and manufacturing activities which will provide jobs to local residents and strengthen the County's economic base, provide the necessary improvements to support industrial growth, insure that new industry is compatible with uses on adjacent lands; and to protect industrial areas from encroachment by incompatible uses that may jeopardize industry. This zone allows for agricultural uses of the soils for crops, including the grazing of not more than two mature farm animals per acre and their immature offspring. Some industrial and manufacturing uses that are permitted provided a plot plan is approved are: food products, textile products, lumber and wood products, paper products, chemicals, rubber, leather products, stone, concrete, glass, metal, machinery, transportation related industries, laboratories, mini warehouses, warehousing and distribution, cold storage, breweries, distilleries, wineries and contractor storage yards. Allowable service and commercial uses include; banks, gas and diesel service stations, laboratories, testing centers, offices professional sales and service, dental, parking lots, restaurants, vehicle and motorcycle repair, health and exercise centers, religious places of worship, truck and car washes, building materials supply, nurseries and garden supply, child daycare centers, car and truck washes. Mobile home sales lots and feed and grain sales. With the approval of a conditional use permit, examples of allowable uses are; Auto wrecking yards, cotton ginning, acid and abrasives manufacturing, fertilizer production, above ground petroleum and bulk fuel storage, concrete match plants, airports, dump sites, swap meets, recycling processing facilities and solar power plants.

There is about *2,550 acres of M-M zoned property in the unincorporated area of the County. Given the intent of this zone and its purpose to protect industrial and manufacturing areas from encroachment by incompatible uses that may jeopardize industry, cultivation may not be appropriate with the possible exception of permitted indoor cultivation uses. Strict development standards that allow for the necessary odor control, security, availability of water and power, as well as the ability to make necessary infrastructure improvements, similar to any other industrial use, must be considered if indoor Cannabis Cultivation is considered. Staff recommends including indoor cultivation be considered in the M-M Zone.

MH (Manufacturing-Heavy Zone)

The intent of this zone is to promote and attract industrial and manufacturing activities which will provide jobs to local residents and strengthen the County's economic base, provide the necessary improvements to support industrial growth, insure that new industry is compatible with uses on adjacent lands; and to protect industrial areas from encroachment by incompatible uses that may jeopardize industry. This zone allows for agricultural uses of the soils for crops, including the grazing of not more than two mature farm animals per acre and their immature offspring. Some industrial and manufacturing uses that are permitted provided a plot plan is approved are: food products, textile products, lumber and wood products, paper products, chemicals, rubber, leather products, stone, concrete, glass, metal, machinery, transportation related industries, laboratories, mini warehouses, warehousing and distribution, cold storage, breweries, distilleries, wineries and contractor storage yards. Allowable service and commercial uses include; banks, gas and diesel service stations, laboratories, testing centers, offices professional sales and service, dental, parking lots, restaurants, vehicle and motorcycle repair, health and exercise centers, religious places of worship, truck and car washes, building materials supply, nurseries and garden supply, child daycare centers, car and truck washes. Mobile home sales lots and feed and grain sales. With the approval of a conditional use permit, examples of allowable uses are; Auto wrecking yards, cotton ginning, acid and abrasives manufacturing, fertilizer production, above ground petroleum and bulk fuel storage, petroleum refineries, concrete match plants, airports, dump sites, swap meets, recycling processing facilities, processing and rendering of fats and oils and solar power plants.

There is about *9,500 acres of M-H zoned property in the unincorporated area of the County. Given the intent of this zone and its purpose to protect industrial and manufacturing areas from encroachment by incompatible uses that may jeopardize industry, cultivation may not be appropriate with the possible exception of permitted indoor cultivation uses. Strict development standards that allow for the necessary odor control, security, availability of water and power, as well as the ability to make necessary infrastructure improvements, similar to any other industrial use, must be considered if indoor Cannabis Cultivation is considered. Staff recommends that indoor cultivation of all types be considered in the M-H Zone.

M-R (Mineral Resources)

This zone allows for agricultural use of the soils for crops, orchards, grazing and forage, electric and gas distribution, transmission substations, telephone and microwave stations, water well and any use appurtenant to the storage and distribution of water, riding and hiking trails, recreation lakes, and camp grounds. With a permit to conduct surface mining operations, pursuant to Ordinance No. 555, uses allowed include; Mining, quarrying, excavating, beneficiating, concentrating, processing, and stockpiling of rock, sand, gravel, decomposed granite, clay gypsum, limestone and metallic ores, rock crushing plants, aggregate washing and concrete batching plants. Accessory uses, incidental to a permitted use include; retail and wholesale distribution of materials produced on the site, storage of trucks and excavating vehicles, storage of materials and machinery used in the operation, scales and weighing equipment, offices and maintenance shop structures, including use of mobile homes. The following uses are permitted provided a conditional use permit has been granted; sewage sludge/organic waste

composting facilities and solar power plant.

Most of the M-R zoned property in the unincorporated area of the County is occupied by existing or reclaimed mining operations. Cannabis Cultivation should be prohibited of the County that are Classified by the State as having a Mineral Resource Classification of MRZ-2 (Areas of Known Mineral Resource Significance) as well as areas Designated by the State as being of regional or statewide significance.

The locations of the properties zoned M-R are remote and tend to be away from residential and urban uses. This would give reason to allow cultivation in these zones. However, care should be taken to avoid land use conversion by limiting use permits to areas that are not currently permitted for other intended uses. Some consideration could be given to permitting cultivation on a reclaimed property but a change of zone would be appropriate.

M-R-A (Mineral Resources-Manufacturing)

This zone allows for agricultural use of the soils for crops, orchards, grazing and forage, electric and gas distribution, transmission substations, telephone and microwave stations, water well and any use appurtenant to the storage and distribution of water, riding and hiking trails, recreation lakes, and camp grounds. With a permit to conduct surface mining operations, pursuant to Ordinance No. 555, uses allowed include; Mining, quarrying, excavating, beneficiating, concentrating, processing, and stockpiling of rock, sand, gravel, decomposed granite, clay gypsum, limestone and metallic ores, rock crushing plants, aggregate washing and concrete batching plants, ore reduction plants, and specialty plants for processing mineral products; and the manufacture of block, pipe, tile, bricks, cement, plaster, and asphaltic concrete. Accessory uses, incidental to a permitted use include; retail and wholesale distribution of materials produced on the site, storage of trucks and excavating vehicles, storage of materials and machinery used in the operation, scales and weighing equipment, offices and maintenance shop structures, including use of mobile homes. The following uses are permitted provided a conditional use permit has been granted; sewage sludge/organic waste composting facilities and solar power plant.

Most of the M-R-A zoned property in the unincorporated area of the County and most of this property is occupied by existing or reclaimed mining operations. Cannabis Cultivation should be prohibited of the County that are Classified by the State as having a Mineral Resource Classification of MRZ-2 (Areas of Known Mineral Resource Significance) as well as areas Designated by the State as being of regional or statewide significance.

The locations of the properties zoned M-R-A are remote and tend to be away from residential and urban uses. This would give reason to allow cultivation in these zones. However, care should be taken to avoid land use conversion by limiting use permits to areas that are not currently permitted for other intended uses. Some consideration could be given to permitting cultivation on a reclaimed property but a change of zone would be appropriate.

A-1 Zone (Light Agriculture Zone)

This Zone allows for a variety of uses including but not limited to single family residences, nurseries,

orchards, field and tree crops, the grazing of cattle and farm stock and other animals, farms for the keeping and breeding of animals, parks and playgrounds, golf courses and home occupations. With a Plot Plan Use Permit, other uses that could be permitted include; private schools, places of religious worship, libraries, child day care centers and feed and grain sales. With the approval of a Conditional Use Permit further uses that could be permitted include; community auction and sale yards, farm labor camps, packaged dry fertilizer storage, commercial stables and riding stables, mobile home parks and solar power plants. There is over *96,000 acres of A-1 Zoned property in the unincorporated area of the County. Due to the intent and purpose of the A-1 Zone and its allowable uses, Cannabis Cultivation should be consider as a use in this zone under certain circumstances and strict development standards that are distinctive of other allowed uses that are protected under the “Right to Farm” Ordinance (Ordinance No. 625). Cultivation sites are appropriate as they could supplement agricultural properties.

A-P (Light Agriculture with Poultry Zone)

This Zone allows for a variety of uses including but not limited to single family residences, farms for the hatching, raising, butchering or marketing of fowl, rabbits and fish, nurseries, field crops and tree crops, the grazing of cattle and farm stock and other animals, farms for the keeping and breeding of animals and farms for commercial egg production. With the approval of a Conditional Use Permit further uses that could be permitted include; Packaging, marketing or processing of poultry waste products, the processing of eggs, and solar power plants. About *1,000 acres of property in the unincorporated County area is zoned A-P. Due to the intent and purpose of the A-P Zone and its allowable uses, Cannabis Cultivation should be considered as a use in this zone under certain circumstances and strict development standards that are distinctive of other allowed uses that are protected under the “Right to Farm” Ordinance (Ordinance No. 625). Small cultivation premises are appropriate as they could supplement poultry agricultural properties.

A-2 (Heavy Agriculture Zone)

This Zone allows for a variety of uses including but not limited to single family residences, nurseries, orchards, field and tree crops, the grazing of cattle and farm stock and other animals, farms for the keeping and breeding of animals, animal hospitals, commercial stables and riding stables, public fairgrounds, and home occupations. With a Plot Plan Use Permit, other uses that could be permitted include; canning, freezing and packing in conjunction with a farming operation, private schools, public parks, public playgrounds, golf courses, country clubs, places of religious worship , libraries, truck transfer stations and agricultural equipment sales and repair yards. With the approval of a Conditional Use Permit further uses that could be permitted include; community auction and sale yards, farm labor camps, pen fed beef and cattle operations, livestock sales yards, hunting clubs, and solar power plants. Almost *32,000 acres of land is zoned A-2 in the unincorporated area of the County. Due to the intent and purpose of the A-2 Zone and its allowable uses, Cannabis Cultivation should be consider as a use in this zone under certain circumstances and strict development standards that are distinctive of other allowed uses that are protected under the “Right to Farm” Ordinance (Ordinance No. 625). Small cultivation premises are appropriate as they could supplement dairy agricultural properties.

A-D (Heavy Agriculture Zone)

This zone was established to as a zone classification which will preserve dairy operations, acknowledge the importance of the dairy industry to the economy of the County, the need to protect dairies from urban encroachment, and the need to encourage dairies to locate in established rural and agricultural areas to minimize incompatibilities between dairy operations and urbanizing communities. This Zone allows for a variety of uses including but not limited to one-family dwellings in conjunction with a dairy operation, dairy farms and dairy calf, heifer, dry cow and herd replacement operations including the selective or experimental breeding and raising of cattle, the grazing of cattle and, as an accessory use, the processing, packaging and marketing of waste products produced on the premises, farms for small animals (excluding crowing fowl), nurseries, greenhouses, orchards, field crops, tree crops, berry and bush crops, vegetable flower, herb gardening, the drying, packing, canning, freezing and other accepted methods of processing the produce resulting from permitted uses, and the grazing of horses, sheep, goats or other farm stock or animals. Solar power plants are an acceptable use with the approval of a conditional use permit. Because of the efforts to create a zone specific to the dairy industry continued efforts should be made to assure that conversions of Heavy Agriculture land use are avoided due the high value of the Cannabis product. Because of this, care should be taken to limit introducing new land uses such as Cannabis Cultivation to this selective zone. There are about *425 acres of A-D Zoned property in the unincorporated area of the County. Small cultivation premises are appropriate as they could supplement dairy agricultural properties.

Wine Country & Citrus Vineyard Zones

The Wine Country Zones were established to implement the Temecula Valley Wine Country Policy Area of the Riverside County General Plan. The region that encompasses the wine country zones is one of the most important agricultural lands in the County. The many wineries and equestrian uses there provide a significant tourist attraction to the region, which in turn, provides a continual economic benefit to the surrounding businesses. In addition, the Temecula Valley Wine Country area is an important part of the character of the Southwest Area Plan and has become ingrained in the culture of the surrounding communities. The purpose of these zones is to encourage agricultural cultivation, vineyards, wineries, equestrian uses, preserve the wine-making atmosphere, estate living, equestrian life-style, and protect this area and its residents from incompatible uses which could result in reduced agricultural productivity and increased urbanization within the policy area. Cannabis Cultivation activities are not compatible with the vision of the Temecula Valley Wine Country Policy Area and do not meet the goals of that plan. Therefore, permitting Cannabis Cultivation in the wine country zones, including the Citrus Vineyard Zone (C/V) and the Commercial Citrus Vineyard Zone (C-C/V) are not recommended.

R-D (Regulated Development)

The R-D Zone allows for a variety of uses. There are 13 properties county-wide that exhibit the R-D Zone. The majority of those properties are development with residential uses or are within residential areas. Therefore, permitting cultivation within this zone is not recommended.

N-A (Natural Assets Zone)

The N-A Zone generally corresponds to the Open Space General Plan Foundation, which includes the Land Uses of Conservation, Conservation Habitat, Recreation, Rural, Water, and Mineral Resources. This

zone allows for single family dwellings, guest dwellings, automobile storage garages, accessory Buildings, field and tree crops and the grazing only of cattle, horses, sheep or goats, under certain circumstances. With a Plot Plan Use Permit, other uses that could be permitted include; public utility substations, water wells and appurtenant pump houses, picnic grounds for day use only, places of religious worship and child day care centers. With the approval of a Conditional Use Permit further uses that could be permitted include; recreational vehicle parks, migrant agricultural worker mobile home parks, resort hotels, rock crushing plants, extraction and bottling of well water including the incidental manufacturing of bottles, golf courses - including club houses, restaurants, and retail shops, riding academies and stables, commercial and noncommercial, airport or landing field, camps, guest ranches and solar power plants. Because of this zone's intent to include those properties intended for conservation, permitting Cannabis Cultivation in the N-A Zone should not be considered.

W-1 (Watercourse / Watershed / Conservation Areas)

There are some areas of the County which under present conditions are not suited for permanent occupancy or residency by persons for the reason that they are subject to periodic flooding and other hazards. Most of the W-1 designated land exists around lakes, streams, and other waterways. Given the basis of this zone is not an appropriate location for Cannabis Cultivation uses and could result in impacts to the waterways. Therefore, permitting cultivation within this zone is not recommended.

W-E (Wind Energy Zone)

The purpose of the Wind Energy Zone (W-E) was to establish some areas of the County which by virtue of strong prevailing winds and the absence of extensive development are ideally suited for large scale development of wind energy. The Riverside County General Plan provides the basis for the development of this resource. This Zone encompasses a small region of the unincorporated County area and the creation of which provides for specific areas to accomplish renewable energy goals. Therefore, permitting cultivation within this zone is not recommended.

MU (Mixed Use Zone)

The intent and purpose of the MU Zone was to establish a zone to assist the County in accommodating its share of the regional housing need as determined by the Southern California Association of Governments (SCAG) along with implementing the Mixed Use Area Land Use Designation in the General Plan by providing regulations for a mixture of residential, commercial, office, entertainment, recreational and other uses. Given the MU Zone's purpose to create areas to fulfill housing needs the zone is not compatible agricultural uses or Cannabis Cultivation. Therefore, the mu Zone will be considered a residential zone for the purposes of this discussion and permitting cultivation within this zone is not recommended.

** Acreages reflect approximations of properties and excludes properties within conservation areas*

RETAILERS

Cannabis retail sales Refers to a license to sell Cannabis goods to customers as a retailer (dispensary).

This represents the final product of the Cannabis industry. The product that has been grown, harvested, tested, packed and labeled for sale prior to reaching a retail sales counter. Cannabis retailers are highly visible to the public and create the most known controversy of all Cannabis activities. Retail sales locations should be permitted in areas that exhibit zoning compatibility, are able to achieve appropriate setbacks and separations and sites that can provide appropriate parking, including but not limited to ADA required parking. The categories of Cannabis retail sales, that can be considered include, non-storefront and non-storefront. A Microbusiness may have a retail sales component.

The State has set strict and unique licensing guidelines for each retail sales use and leaves many site development standards to local jurisdictions.

Permitting retail sales, particularly storefronts, brings with it potential impacts to neighboring properties. Careful consideration should be given to the direct and indirect impacts when considering allowing a new type of land use of any type, especially one that carries with it, unique characteristics related to security, loitering, potential for crimes of robbery and theft and access to children.

Commercial properties seem to be a logical option for storefront and no-storefront activities. But there are other zones that could be considered if strict development standards are adopted.

Although Cannabis storefronts, would be subject to unique security requirements, setbacks, building review, and application requirements that will be distinctive compared to other existing County land uses, care should also be taken when considering appropriate site locations for potential permits. Existing County zones were analyzed by Staff as follows:

Residential Zones

Cannabis retail sales, particularly storefront with public access, brings with it many potential impacts that make it incompatible with residential land uses. Allowing Cannabis retail sales permits in any residential zone is not recommended.

C-1/C-P (General Commercial Zone) & C-P-S (Scenic Highway Commercial Zone)

These zones allow for a large variety of brick and mortar commercial uses with the approval of a plot plan use permit. Cannabis retail sales uses may be appropriate with strict development guidelines. Minimum lot sizes that allow for the necessary parking and setbacks, availability of water and power, as well as the ability to makes necessary infrastructure improvements, similar to any other commercial use must be considered if Cannabis retail sales is considered. If the board determines that Cannabis retail sales should be permitted in the County Staff believes that the C-1/C-P Zone is appropriate for this use but strict development standards and appropriate setbacks should be implemented.

C-T (Tourist Commercial Zone)

This Zone allows for a variety of tourist related commercial uses with an approved plot plan use permit, including, automobile service stations, truck service stations, not including the concurrent sale of beer and wine for off-premises consumption, automobile sales, truck sales, new and used, restaurants, drive-in

restaurants, bars, curio shops, gift shops, sign, on-site advertising, hotels, motels, dwelling bed and breakfasts, places of religious worship and child day care centers. Dispensaries, non-storefront retail and microbusinesses may be appropriate subject to strict development standards. Minimum lot sizes that allow for the necessary parking and setbacks, availability of water and power, as well as the ability to makes necessary infrastructure improvements, similar to any other commercial use must be considered if Cannabis retail sales is considered. There are a small amount of C-T zoned property in the unincorporated area of the County. Therefore, great care should be taken to ensure that this new land use does not create a conversion of this land use. Permitting retailers within the C-T zone is not recommended.

C-R (Rural Commercial Zone)

The C-R Zone is intended to allow for small-scale commercial uses in the outlying areas of the County along rural highways for the convenience of residents and travelers, and because the development standards for these commercial uses should reflect areas where urban services and facilities are generally unavailable and are not likely to be provided in the near future, it is desirable to establish a zone classification which will promote these rural commercial uses on parcels of generally less than 2½ acres. Because properties exhibiting this zone are limited in number and necessary to provide much needed neighborhood commercial uses and are located along rural highways, permitting Cannabis retail sales in the C-R Zone is not recommended.

C-O (Commercial Office Zone)

The C-R Zone is intended to fulfill a need in the County of for a zone classification designed to provide areas where primarily professional and administrative offices and related uses may be located. It is the intent that this zone classification ensures that such uses are well designed and landscaped to be harmonious and compatible with surrounding land uses. The following uses are examples of those allowed with an entitled plot plan use permit; administrative and professional offices, including but not limited to business, law, medical, dental, chiropractic, architectural, engineering, community planning, and real estate offices, in which no activity is carried on catering to retail sales and no stock of goods is maintained for sale, art galleries, libraries, museums, banks, financial institutions, employment agencies, parking lots and parking structures, pharmacies incidental to a professional office building, tourist information centers, day care centers, and places of religious worship. With the approval of a conditional use permit some of the allowable uses are clinics, including but not limited to medical, dental and chiropractic, health and exercise centers, provided all facilities are located within an enclosed building, hotels, resort hotels and motels, laboratories, film, dental, medical, research or testing, restaurants, not including drive-in or take-out restaurants, studios for professional work in or teaching of any form of fine arts. Given the intended purpose of the C-O Zone and its allowable uses Cannabis dispensaries are not recommended for this zone.

I-P (Industrial Park Zone)

This Zone allows for emergency shelters. With a plot plan use permit a variety of industrial and manufacturing related uses, for example; food, Lumber, Wood, and Paper products, textile and leather products, chemical and glass products, metal and electrical products, transportation industries,

warehousing and distribution, including mini-warehouses, cold storage facilities, telephone exchanges and switching equipment, post offices, and fire and police stations. Commercial services uses include, banks and financial institutions, laboratories, film, medical, research, or testing centers, office equipment sales and service, and offices, professional sales and service, including business, law, medical, dental, chiropractic, architectural and engineering. Given the ability to mitigate impacts from Cannabis retailers in this zone, Staff concludes that Cannabis retailers should be considered, particularly in conjunction with a manufacturing or cultivation operation.

M-SC (Manufacturing-Service Commercial Zone)

The intent of this zone is to promote and attract industrial and manufacturing activities which will provide jobs to local residents and strengthen the County's economic base, provide the necessary improvements to support industrial growth, insure that new industry is compatible with uses on adjacent lands; and to protect industrial areas from encroachment by incompatible uses that may jeopardize industry. This Zone allows for agricultural uses of the soils for crops, including the grazing of not more than two mature farm animals per acre and their immature offspring. With the approval of a plot plan use permit a variety of industrial and manufacturing uses are allowed. These uses include; food products, textile products, lumber, wood, paper and leather products, chemicals, stone, clay, glass and concrete products. The following commercial services uses are also allowed; banks and financial institutions, gasoline and diesel service stations, not including the concurrent sale of beer wine for off-premises consumption, laboratories, film, medical, research, or testing centers, office equipment sales and service, offices, professional sales and service, including business, law, medical, dental, chiropractic, architectural, and engineering, parking lots and parking structures, restaurants and other eating establishments, building materials sales yard, places of religious worship and day care centers. The following use are allowed with the approval of a conditional use permit; meat packing plants, not including slaughtering or rendering of animals, cemeteries, crematories, and mausoleums, paper storage and recycling, not within a building, brewery, distillery, or winery, acid and abrasives manufacturing, recycling of wood, metal, and construction wastes, natural gas storage, above ground, disposal service operations, not including transfer stations, solar power plant on a lots 10 acres or larger and parolee-probationer homes. Given the ability to mitigate impacts from Cannabis retailers in this zone, Staff concludes that Cannabis retailers should be considered, particularly in conjunction with a manufacturing or cultivation operation.

M-M (Manufacturing-Medium Zone)

The intent of this zone is to promote and attract industrial and manufacturing activities which will provide jobs to local residents and strengthen the County's economic base, provide the necessary improvements to support industrial growth, insure that new industry is compatible with uses on adjacent lands; and to protect industrial areas from encroachment by incompatible uses that may jeopardize industry. This zone allows for agricultural uses of the soils for crops, including the grazing of not more than two mature farm animals per acre and their immature offspring. Some industrial and manufacturing uses that are permitted provided a plot plan is approved are: food products, textile products, lumber and wood products, paper products, chemicals, rubber, leather products, stone, concrete, glass, metal, machinery, transportation related industries, laboratories, mini warehouses, warehousing and distribution, cold storage, breweries, distilleries, wineries and contractor storage yards. Allowable service and commercial uses include; banks,

gas and diesel service stations, laboratories, testing centers, offices professional sales and service, dental, parking lots, restaurants, vehicle and motorcycle repair, health and exercise centers, religious places of worship, truck and car washes, building materials supply, nurseries and garden supply, child daycare centers, car and truck washes. Mobile home sales lots and feed and grain sales. With the approval of a conditional use permit, examples of allowable uses are; Auto wrecking yards, cotton ginning, acid and abrasives manufacturing, fertilizer production, above ground petroleum and bulk fuel storage, concrete match plants, airports, dump sites, swap meets, recycling processing facilities and solar power plants. Given the ability to mitigate impacts from Cannabis retailers in this zone, Staff concludes that Cannabis retailers should be considered, particularly in conjunction with a manufacturing or cultivation operation.

MH (Manufacturing-Heavy Zone)

The intent of this zone is to promote and attract industrial and manufacturing activities which will provide jobs to local residents and strengthen the County's economic base, provide the necessary improvements to support industrial growth, insure that new industry is compatible with uses on adjacent lands; and to protect industrial areas from encroachment by incompatible uses that may jeopardize industry. This zone allows for agricultural uses of the soils for crops, including the grazing of not more than two mature farm animals per acre and their immature offspring. Some industrial and manufacturing uses that are permitted provided a plot plan is approved are: food products, textile products, lumber and wood products, paper products, chemicals, rubber, leather products, stone, concrete, glass, metal, machinery, transportation related industries, laboratories, mini warehouses, warehousing and distribution, cold storage, breweries, distilleries, wineries and contractor storage yards. Allowable service and commercial uses include; banks, gas and diesel service stations, laboratories, testing centers, offices professional sales and service, dental, parking lots, restaurants, vehicle and motorcycle repair, health and exercise centers, religious places of worship, truck and car washes, building materials supply, nurseries and garden supply, child daycare centers, car and truck washes. Mobile home sales lots and feed and grain sales. With the approval of a conditional use permit, examples of allowable uses are; Auto wrecking yards, cotton ginning, acid and abrasives manufacturing, fertilizer production, above ground petroleum and bulk fuel storage, petroleum refineries, concrete match plants, airports, dump sites, swap meets, recycling processing facilities, processing and rendering of fats and oils and solar power plants. Given the ability to mitigate impacts from Cannabis retailers in this zone, Staff concludes that Cannabis retailers should be considered, particularly in conjunction with a manufacturing or cultivation operation.

M-R (Mineral Resources)

This zone allows for agricultural use of the soils for crops, orchards, grazing and forage, electric and gas distribution, transmission substations, telephone and microwave stations, water well and any use appurtenant to the storage and distribution of water, riding and hiking trails, recreation lakes, and camp grounds. With a permit to conduct surface mining operations, pursuant to Ordinance No. 555, uses allowed include; Mining, quarrying, excavating, beneficiating, concentrating, processing, and stockpiling of rock, sand, gravel, decomposed granite, clay gypsum, limestone and metallic ores, rock crushing plants, aggregate washing and concrete batching plants. Accessory uses, incidental to a permitted use include; retail and wholesale distribution of materials produced on the site, storage of trucks and

excavating vehicles, storage of materials and machinery used in the operation, scales and weighing equipment, offices and maintenance shop structures, including use of mobile homes. The following uses are permitted provided a conditional use permit has been granted; sewage sludge/organic waste composting facilities and solar power plant. The locations of the properties zoned M-R are remote and tend to be away from residential and urban uses, access is sometimes limited and improvements sparse. Therefore, this zone is inappropriate for retail Cannabis uses.

M-R-A (Mineral Resources-Manufacturing)

This zone allows for agricultural use of the soils for crops, orchards, grazing and forage, electric and gas distribution, transmission substations, telephone and microwave stations, water well and any use appurtenant to the storage and distribution of water, riding and hiking trails, recreation lakes, and camp grounds. With a permit to conduct surface mining operations, pursuant to Ordinance No. 555, uses allowed include; Mining, quarrying, excavating, beneficiating, concentrating, processing, and stockpiling of rock, sand, gravel, decomposed granite, clay gypsum, limestone and metallic ores, rock crushing plants, aggregate washing and concrete batching plants, ore reduction plants, and specialty plants for processing mineral products; and the manufacture of block, pipe, tile, bricks, cement, plaster, and asphaltic concrete. Accessory uses, incidental to a permitted use include; retail and wholesale distribution of materials produced on the site, storage of trucks and excavating vehicles, storage of materials and machinery used in the operation, scales and weighing equipment, offices and maintenance shop structures, including use of mobile homes. The following uses are permitted provided a conditional use permit has been granted; sewage sludge/organic waste composting facilities and solar power plant. The locations of the properties zoned M-R-A are remote and tend to be away from residential and urban uses, access is sometimes limited and improvements sparse. Therefore, this zone is inappropriate for retail Cannabis uses.

Agricultural Zones (A-1, A-P, A-2 and A-D)

These zones allow for a variety of agricultural uses. These zones are not intended for retail uses, they do not exhibit urban infrastructure that would support retail sales of Cannabis and Cannabis products. Therefore, these zones are inappropriate for retail Cannabis uses.

Wine Country & Citrus Vineyard Zones

The Wine Country Zones were established to implement the Temecula Valley Wine Country Policy Area of the Riverside County General Plan. The region that encompasses the wine country zones is one of the most important agricultural lands in the County. The many wineries and equestrian uses there provide a significant tourist attraction to the region, which in turn, provides a continual economic benefit to the surrounding businesses. In addition, the Temecula Valley Wine Country area is an important part of the character of the Southwest Area Plan and has become ingrained in the culture of the surrounding communities. The purpose of these zones is to encourage agricultural cultivation, vineyards, wineries, equestrian uses, preserve the wine-making atmosphere, estate living, equestrian life-style, and protect this area and its residents from incompatible uses which could result in reduced agricultural productivity and increased urbanization within the policy area. Cannabis retail activities are not compatible with the vision of the Temecula Valley Wine Country Policy Area and do not meet the goals of that plan. Therefore,

permitting Cannabis retail uses in the wine country zones, including the Citrus Vineyard Zone (C/V) and the Commercial Citrus Vineyard Zone (C-C/V) are not recommended.

W-2 (Controlled Development Areas)

This Zone allows for a variety of uses depending on the size of the zoned property. In the W-2 Zone lots under one-acre allow for uses that include but are not limited to single family residences, field and tree crops, and greenhouses used for the purposes of propagation. For lots greater than 20,000 square feet in area and at least 100-feet wide the noncommercial keeping of horses is allowed in this zone. Other allowed uses include Home occupations. The outside storage of materials is allowed in limited circumstances. On lots greater than one-acre in area allowed uses include single family residences, public and private water works facilities, agricultural uses allowed on smaller lots in this zone, as well as nurseries and processing of agricultural products and the grazing of cattle and other farm animals. With a Plot Plan Use Permit, other uses that could be permitted in this zone include; guest ranches, educational institutions, places of religious worship, libraries, tennis and polo clubs and child day care centers. With the approval of a Conditional Use Permit further uses that could be permitted include; Airports or landing fields, commercial fairgrounds, cemeteries, dune buggy parks, hunting clubs, race tracks, recreational vehicle parks, rodeo arenas, commercial stables and riding stables, trailer and boat storage, auction houses and yards, large and small animal hospitals and solar power plants. This zone allows for a variety of unique commercial allowable uses that are rural in nature. Cannabis retail sales uses are not recommended in this zone.

R-D (Regulated Development)

The R-D Zone allows for a variety of uses. There are 13 properties county-wide that exhibit the R-D Zone. The majority of those properties are development with residential uses or are within residential areas. Therefore, permitting Cannabis retail sales uses within this zone is not recommended.

N-A (Natural Assets Zone)

The N-A Zone generally corresponds to the Open Space General Plan Foundation, which includes the Land Uses of Conservation, Conservation Habitat, Recreation, Rural, Water, and Mineral Resources. This zone allows for single family dwellings, guest dwellings, automobile storage garages, accessory Buildings, field and tree crops and the grazing only of cattle, horses, sheep or goats, under certain circumstances. With a Plot Plan Use Permit, other uses that could be permitted include; public utility substations, water wells and appurtenant pump houses, picnic grounds for day use only, places of religious worship and child day care centers. With the approval of a Conditional Use Permit further uses that could be permitted include; recreational vehicle parks, migrant agricultural worker mobile home parks, resort hotels, rock crushing plants, extraction and bottling of well water including the incidental manufacturing of bottles, golf courses - including club houses, restaurants, and retail shops, riding academies and stables, commercial and noncommercial, airport or landing field, camps, guest ranches and solar power plants. Because of this zone's intent to include those properties intended for conservation, permitting Cannabis retail sales in the N-A Zone should not be considered.

W-1 (Watercourse / Watershed / Conservation Areas)

There are some areas of the County which under present conditions are not suited for permanent occupancy or residency by persons for the reason that they are subject to periodic flooding and other hazards. Most of the W-1 designated land exists around lakes, streams, and other waterways. Given the basis of this zone is not an appropriate location for Cannabis Cultivation uses and could result in impacts to the waterways. Therefore, permitting Cannabis retail sales within this zone is not recommended.

W-E (Wind Energy Zone)

The purpose of the Wind Energy Zone (W-E) was to establish some areas of the County which by virtue of strong prevailing winds and the absence of extensive development are ideally suited for large scale development of wind energy. The Riverside County General Plan provides the basis for the development of this resource. This Zone encompasses a small region of the unincorporated County area and the creation of which provides for specific areas to accomplish renewable energy goals. Therefore, permitting Cannabis retail sales within this zone is not recommended.

MU (Mixed Use Zone)

The intent and purpose of the MU Zone was to establish a zone to assist the County in accommodating its share of the regional housing need as determined by the Southern California Association of Governments (SCAG) along with implementing the Mixed Use Area Land Use Designation in the General Plan by providing regulations for a mixture of residential, commercial, office, entertainment, recreational and other uses. Given the MU Zone's purpose to create areas to fulfill housing needs the zone is not compatible agricultural uses or Cannabis Cultivation. Therefore, the MU Zone will be considered a residential zone for the purposes of this discussion and permitting Cannabis retail sales within this zone is not recommended.

RIVERSIDE COUNTY GENERAL PLAN & ZONING CONSISTENCY:

All amendments to the Land Use Ordinance must be consistent with the General Plan. The General Plan's Land Use Element Policy LU 7.1, requires land uses to develop in accordance with the General Plan and area plans to ensure compatibility and minimize impacts. Ensuring compatibility between land uses, is directly related to the proposed ordinance amendment, (a Cannabis ordinance) by requiring each commercial Cannabis permit be processed through a discretionary permit. In the cases of all discretionary permits a finding must be made that the zoning and the proposed project are consistent with the General Plan. Therefore, although the details included herein encompass zoning only as a method for determining appropriate locations for commercial Cannabis businesses, during the permit process each independent case will be required to demonstrate that that the proposed project and subject property is consistent with the General Plan.

In some cases, depending on the applicable General Plan policies, a proposed project may be inconsistent with the General Plan and unable to obtain a conditional use permit even when the property's zoning classification allows the proposed use with a conditional use permit. In these types of situations, and depending on the specific facts of the project and location, it may be appropriate to process an amendment to the General Plan.

Consistency with General Plan policies must be evaluated when processing each commercial Cannabis project application. Findings specific to the project type are required to be made in order to recommend approval of the project. Any change of zone applications must be found to be consistent with the General Plan. Among others, use permits must be found to be consistent with the General Plan, Ordinance No. 348 and not to be detrimental to the health, safety, and general welfare of the neighborhood or to the general welfare of the county.

If the proposed ordinance amendment is adopted, each land use application will go through the land use review process including, but not limited to, the appropriate environmental review, consistency with the applicable General Plan policies and Ordinance No 348 and be considered at noticed public hearings.

Staff believes that the regulations and standards established by Ordinance No. 348.4862, the County will be providing a path for operators who wish to pursue a commercial Cannabis business in Riverside County to obtain a permit to operate after the appropriate land use and environmental review and consideration. The findings required for approval of a use permit will control the placement and intensity of commercial Cannabis activities within the allowable zones and will provide a method, through the discretionary process, to apply operating conditions to limit possible nuisances or safety conditions from the operation of commercial Cannabis activities. Additionally, the development agreement process, the permit renewal process and the monitoring process, combined with land use ordinance provisions for revocation of permits will provide a means of adjusting operational standards, to address nuisance concerns, while still retaining the ability for full permit revocation, if needed.

LAND USE PERMIT IMPLEMENTATION:

Should the Board approve Ordinance No. 348.4862, implementing a regulatory approach to permit Cannabis-related activities, it is staff's recommendation that the County do so in a measured way that provides for a "ramp-up" period, and an opportunity to re-evaluate the program on an annual basis. Staff is recommending an approach that sets initial caps on Cannabis retailers at 19 conditional use permits and Cannabis Cultivation conditional use permits at 50, which can then be re-assessed and adjusted over time as the County gains practical experience in implementing a program.

From staff's perspective, Cannabis Cultivation and Cannabis retailers pose greater potential impacts to the communities where they would be located, and therefore, should garner some consideration of a cap on the number of permits. Other Cannabis business uses such as manufacturing, distribution and testing are similar in intensity and use to other currently permitted land uses and it is not anticipated that, once development standards are applied, influences of these uses will be a negative impact to the community.

FINDINGS :

1. Ordinance No. 348.4862 applies to all unincorporated areas of Riverside County.

2. Pursuant to Article XI, Section 7 of the California Constitution, a county may make and enforce within its limits all local, police, sanitary and other ordinances and regulations not in conflict with general laws.
3. The California Medicinal and Adult-Use Cannabis Regulation and Safety Act along with Business and Professions Code section 26055, 26080, 26090, 26200, and Health and Safety Code section 11362.83, authorize the County of Riverside establish standards, requirements and regulations for medical and adult-use cannabis activities.
4. Children, minors under the age of 18, are particularly vulnerable to the effects of Cannabis use, and the presence of Cannabis plants or products is an attractive nuisance for children, creating an unreasonable hazard in areas frequented by children including schools, parks, and other similar locations. Comprehensive regulation of Cannabis activities is proper and necessary to address the risks and adverse impacts to children.
5. The unregulated cultivation of Cannabis in the unincorporated area of Riverside County can adversely affect the health, safety, and well-being of the County, its residents and environment. Comprehensive regulation of lots used for Cannabis Cultivation is proper and necessary to reduce the risks of criminal activity, degradation of the natural environment, malodorous smells, and indoor electrical fire hazards that may result from unregulated Cannabis Cultivation.
6. Ordinance No. 348.4862 establishes regulations related to cultivation, delivery, distribution, manufacturing, possession, processing, selling, storing, testing and transporting of commercial cannabis and commercial cannabis related products in a responsible manner that protects the health, safety and welfare of the residents of Riverside County.
7. Ordinance No. 348.4862 is exempt from the California Environmental Quality Act (CEQA) pursuant to Senate Bill 94, the Medical Cannabis Regulation and Safety Act (MCRSA) and Section 26055(h) of the California Business and Professions Code, which exempted from CEQA, until July 1, 2019, the adoption of a specified ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, license, or other authorizations to engage in commercial Cannabis activity. Ordinance No. 348.4862 establishes regulations related to cultivation, delivery, distribution, manufacturing, possession, processing, selling, storing, testing and transporting of commercial cannabis and commercial cannabis related products. These regulations

require all commercial Cannabis activities to obtain discretionary land use approval, and accordingly this project has been determined to be exempt from CEQA.

8. Cannabis Cultivation operations are not protected under Riverside County Ordinance No. 625, the Right –to-Farm Ordinance, which is intended to protect agricultural operations from being considered a nuisance. The siting and operational standards established by Ordinance No. 348.4862 do not apply to agricultural enterprises already in existence within the unincorporated areas of the County of Riverside.

CONCLUSIONS:

1. This proposed ordinance amendment is in conformance with all elements of the Riverside County General Plan.
2. This proposed ordinance amendment is consistent with Ordinance No. 348, and with all other applicable provisions of Ordinance No. 348.
3. The public’s health, safety, and general welfare are protected through permitting provisions, development standards and operational requirements established within the proposed ordinance amendment.
4. This proposed project will not have a significant effect on the environment.

PUBLIC HEARING NOTIFICATION AND COMMUNITY INPUT

Since the Board’s initiation of this ordinance, Staff created a website to correspond with the public and garner input. That website went live on October 13, 2017. Approximately, 338 emails have been received through that website, including 64 completed surveys. This hearing for the Ordinance amendment has been advertised in the Press Enterprise Newspaper and the Desert Sun Newspaper. Additionally, On March 20, 2018, the Board of Supervisors held a public meeting to receive an Ordinance update from staff. At that meeting 41 people spoke and gave input to the Board. Prior to that meeting, 121 letters and emails were received by Staff. 41 letters or emails indicated support, 34 letters or emails indicated opposition, and 48 letters or emails indicated a neutral position for regulation. As of the writing of this report, and since the March 20th Board meeting, staff has received approximately 80 emails regarding the ordinance, including a 26 page report from the Anza Valley MAC – Cannabis Emergency Regulation Committee, and a number of suggestions to include in the ordinance itself.

APPEAL INFORMATION

The Planning Commission’s action on Ordinance No. 348.4862 is a recommendation to the Board of Supervisors only. The recommendations of the Planning Commission will be heard by the Board in a noticed public meeting. The Board’s decision is the final decision.

ATTACHMENTS:

Attachment A Ordinance 348.4862 - DRAFT

Attachment B Cannabis Ordinance Update Staff Report from March 20, 2018 Board Meeting

Attachment C Correspondence Received prior to March 20, 2018 Board Meeting

Attachment D Confirmation of Public Hearing Notice