ATTACHMENT A

CONTRA COSTA COUNTY PRELIMINARY ZONING ANALYSIS FOR CANNABIS USES

July 18, 2017

1. COMMERCIAL OUTDOOR AND INDOOR CANNABIS CULTIVATION

The control and regulation of commercial cannabis cultivation is a major consideration within Proposition 64. Under Proposition 64 local jurisdictions are authorized to prohibit or regulate all commercial cannabis cultivation activities. If local jurisdictions fail to prohibit or regulate commercial cultivation activities prior to the issuance of licenses by the state, which is expected to start at the beginning of 2018, then the state will become the sole licensing authority for the commercial cultivation activities within that jurisdiction.

At the April 25, 2017 Cannabis Workshop, the Board of Supervisors expressed an interest in permitting and regulating the commercial cultivation of cannabis. In response staff has analyzed and identified the zoning districts in which both outdoor and indoor commercial cannabis cultivation is potentially suitable. Based on the contrasting needs of outdoor cultivation and indoor cultivation, they have been classified separately.

a. Zoning for Commercial Outdoor Cultivation

There are a significant number agricultural parcels within the unincorporated areas of the county located within prime farmland, as well as small and large tracts of underutilized land in former industrial areas that are suitable for commercial outdoor cannabis cultivation. Most of the agricultural parcels are located within one of the agricultural (A-) zoning districts. However, there are also industrial properties located within former redevelopment areas such as North Richmond and Bay Point, both of which are located within Planned Unit District (P-1) zoning districts, which may also be suitable.

Staff recommends that greenhouse and nursery commercial uses be considered as outdoor cultivation for the purposes of crafting regulation.

Based on staff's initial analysis of the zoning districts where commercial outdoor cannabis cultivation could be considered compatible, staff is recommending that the following zoning districts be evaluated further for eligibility:

- General Agricultural (A-2)
- Heavy Agricultural (A-3)
- Agricultural Preserve (A-4)(with contract amendment)

- Exclusive Agricultural (A-20; A-40 and A-80)
- Planned Unit District (P-1) with Commercial, Industrial, Mixed-Use and Agricultural General Plan Designations only
- <u>Potentially Permitted</u> in the Heavy-Industrial (H-I), Light-Industrial (L-I) and Controlled-Manufacturing (C-M) zoning districts)

b. Zoning for Indoor Commercial Cultivation

Statewide, most legally established indoor commercial cannabis cultivation facilities operate from within existing small to medium sized industrial or commercial buildings. Due to the additional security measures and potential odor issues related to indoor cultivation, indoor cultivation is not considered compatible with typical high traffic retail center/strip mall uses and should therefore be restricted to other industrial and commercial areas.

Commercial and industrial buildings that meet the size, location and configuration needs of commercial indoor cannabis cultivation operations are likely to be located in one of the many commercial and industrial areas found throughout the County. Due to the fact that commercial indoor cultivation would likely require access to public utilities such as water and wastewater services, no commercial indoor cultivation is recommended outside of the County Urban Limit Line (ULL).

Based on staff's initial analysis of the zoning districts where commercial indoor cannabis cultivation could be considered compatible, staff is recommending that the following zoning districts be evaluated further for eligibility:

- Light Industrial (L-I)
- Heavy Industrial (H-I)
- Controlled Manufacturing (C-M)
- Planned Unit Development (P-1) with Commercial, Industrial and Mixed-Use General Plan Designations only

C. Sensitive Receptor Buffers

In order to ensure outdoor or indoor commercial cannabis cultivation does not occur near the identified sensitive receptors, or impact nearby properties, buffer zones from the uses are recommended. Sensitive receptors include residential zoning districts, schools, playgrounds, neighborhood and community parks, libraries and drug treatment centers.

d. Mapping

Preliminary zoning maps for commercial indoor and outdoor cultivation have been prepared utilizing the zoning districts and buffers identified above. In order to provide the Board with a range of options as well as to provide some context on the impact buffer zones have on the number of parcels meeting the proposed criteria for commercial cannabis cultivation, three separate zoning maps have been prepared for comparison purposes.

- <u>Map #1a</u> depicts the most restrictive scenario and identifies all of the eligible parcels for commercial outdoor and indoor cultivation utilizing the zoning districts listed above (outdoor cultivation within the Heavy-Industrial (H-I), Light-Industrial (L-I) and Controlled-Manufacturing (C-M) zoning districts is not included) with a <u>2,000-foot buffer from schools</u>, parks, playgrounds, libraries and drug treatment centers and 1,000-foot buffer from residential zoning districts.
- <u>Map #1b</u> depicts all of the eligible parcels for commercial cultivation utilizing the zoning districts listed above including the "Under-Discussion" parcels where outdoor cultivation within the P-1, Heavy-Industrial (H-I), Light-Industrial (L-I) and Controlled-Manufacturing (C-M) zoning districts, with a <u>1,000-foot buffer from schools, parks, playgrounds, libraries and drug treatment centers and 500-foot buffer from residential zoning districts</u>.
- <u>Map #1c</u> depicts all eligible parcels for commercial outdoor and indoor cultivation utilizing the listed zoning districts <u>without any buffers</u> (buffers of some size are recommended, but this map does provide context on the effect of buffers on the map).

e. Additional Potential Restrictions for Commercial Outdoor Cultivation

Since this will be the County's first time regulating commercial outdoor cultivation of cannabis, restrictions on cultivation area are suggested. The restrictions on cultivation area have been added in order to control potential negative impacts to communities and neighboring properties that could result from extensive commercial cultivation activities. The restrictions on cultivation area could be relaxed or further restricted (for future permits) in the future if found necessary.

The proposed restrictions on cultivation areas are as follows:

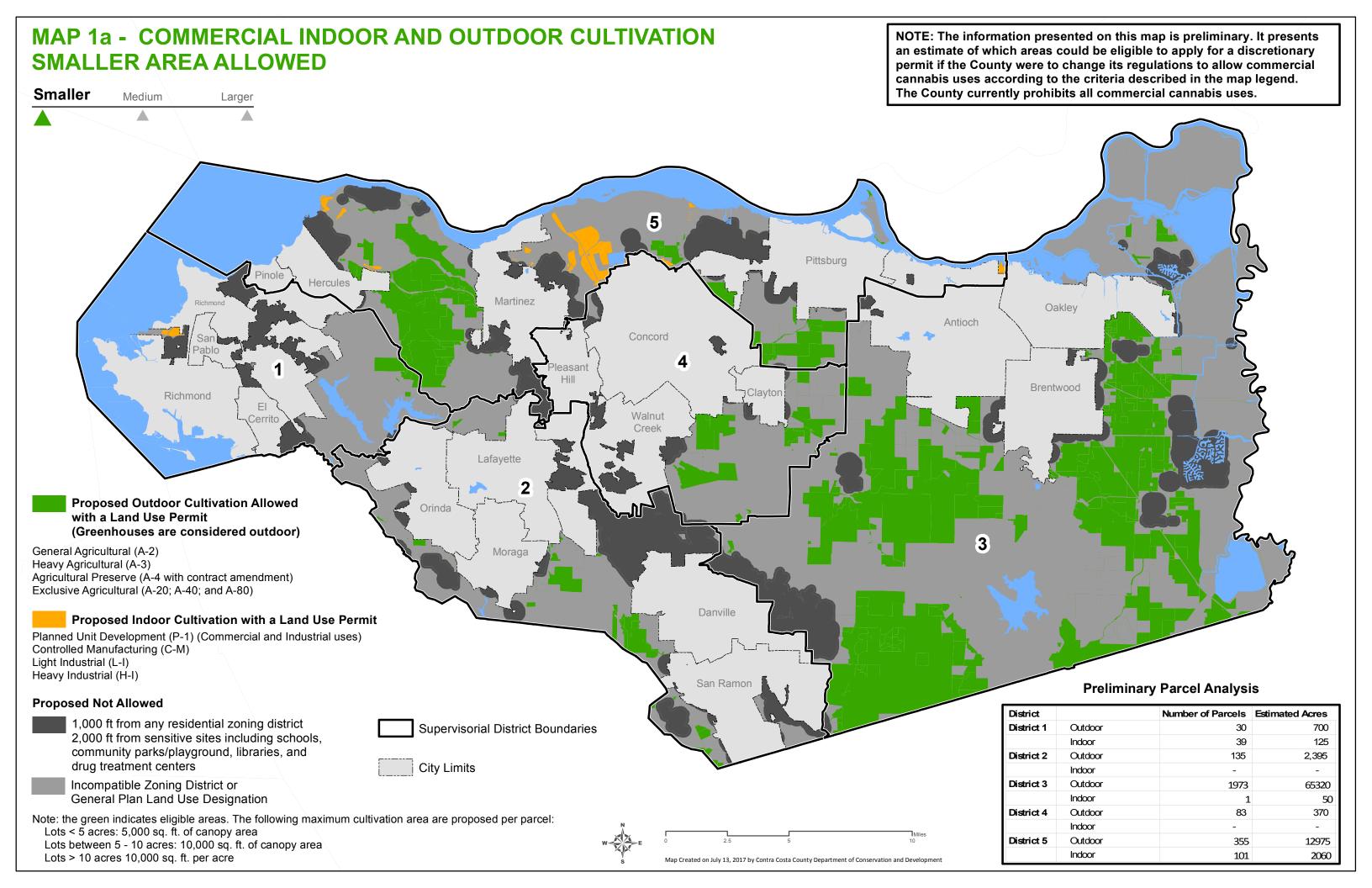
- Lots less than 5 acres, maximum 5,000 square feet of canopy area;
- Lots between 5 and 10 acres, maximum 10,000 square feet of canopy area;
- Lots larger than 10 acres, maximum 20,000 square feet of canopy area.

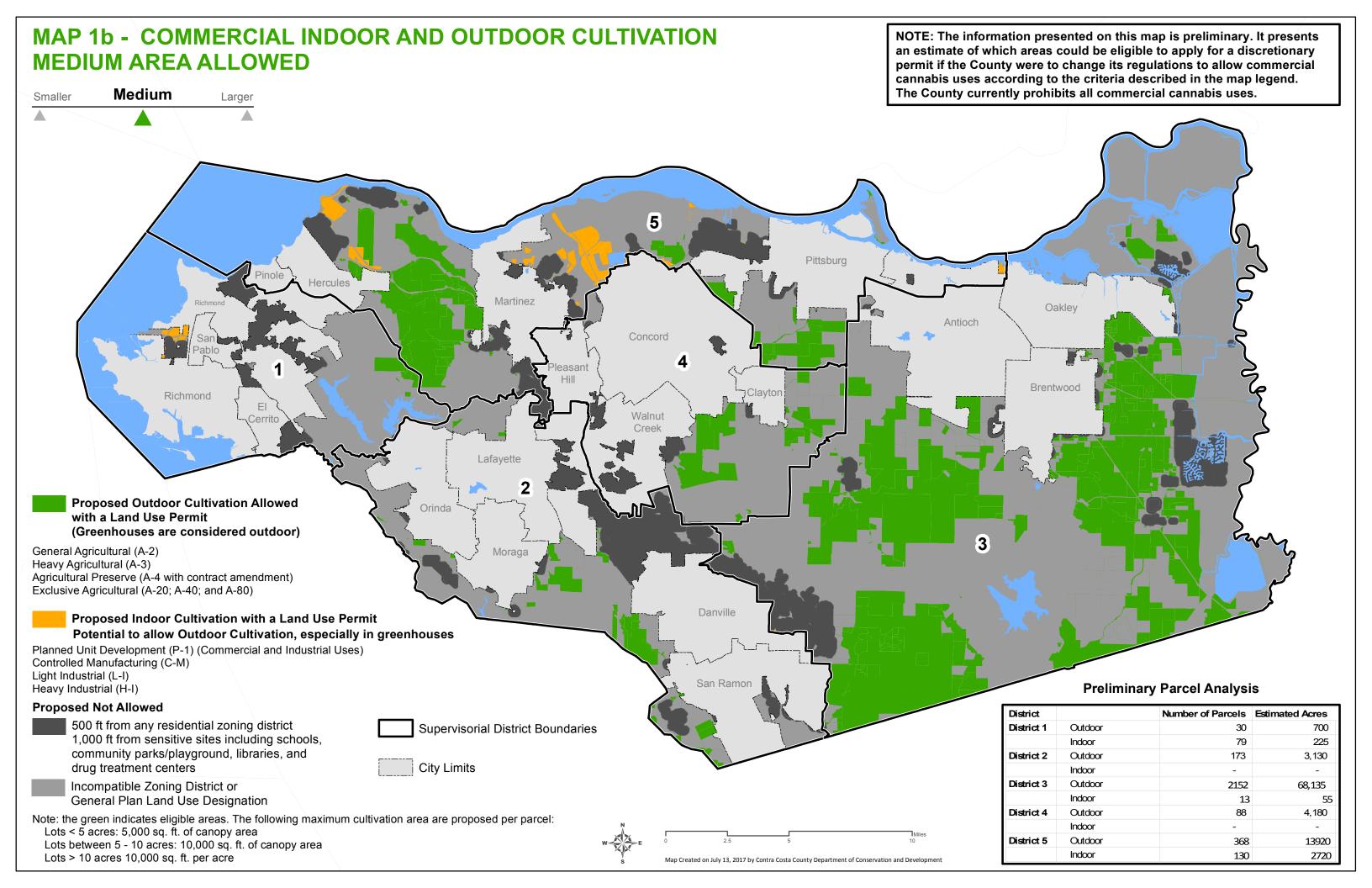
f. Cannabis Microbusiness

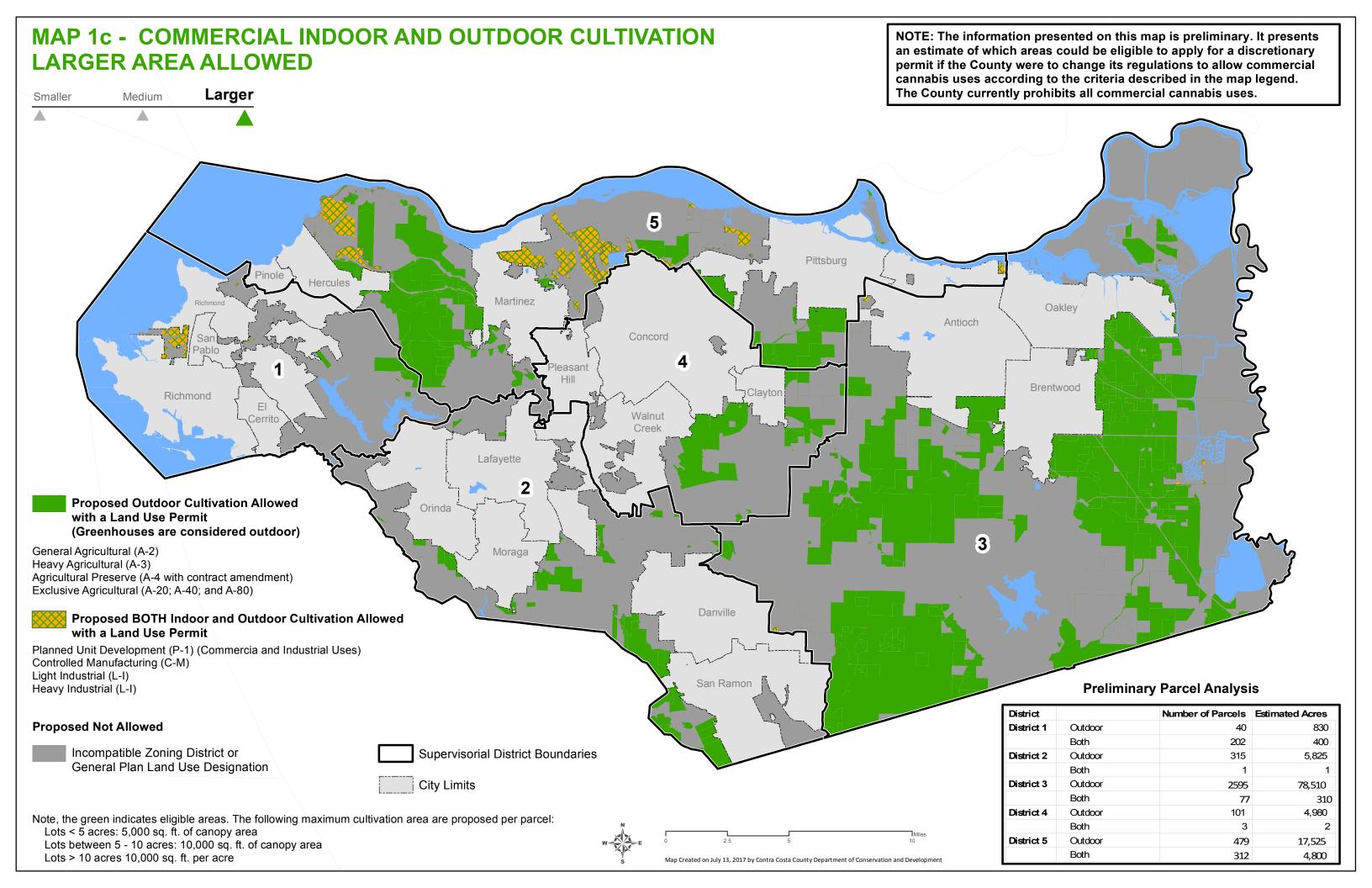
Another category of commercial cannabis cultivation that could be considered is the establishment of cannabis microbusinesses. A cannabis microbusiness is a small retailer that sells cannabis and cannabis products at the same location where the cannabis is grown, with a maximum cultivation area of 10,000 square feet. Cannabis microbusinesses are similar in nature to the many farm/grower stands found throughout the eastern parts of the County.

Microbusinesses cultivation sites for cannabis can be indoor or outdoor and therefore could theoretically be established in both agricultural and commercial/industrial areas of the County. However, staff recommends a cautious approach on microbusiness a this use could lead to retail sales and manufacture in remote locations that would be difficult to regulate, particularly at the outset.

(SEE MAPS ON NEXT PAGE)







2. CANNABIS DISTRIBUTION, MANUFACTURING, TESTING AND RETAIL DELIVERY

a. Description of Uses

After analyzing the needs and impacts of commercial cannabis manufacturing, distribution, testing and retail delivery, staff has determined that the potentially suitable zoning districts and buffer zones for the mentioned uses are similar and therefore can be combined and discussed together in terms of eligible zoning districts and buffers.

A brief description of each of the uses is provided below.

i. <u>Cannabis Distribution</u>: A commercial cannabis distribution facility is a facility where commercial cannabis and cannabis products are received from licensed cultivators and manufacturers and distributed to licensed dispensaries. Per state law (AUMA), all cannabis and cannabis products must be delivered to dispensaries from licensed cannabis distribution centers, making distribution centers a necessary use in the supply chain.

Based on research, commercial cannabis distribution centers will likely operate out of warehouse/distribution center type buildings typically found in commercial and industrial zoning districts. These types of buildings, and properties where these types of buildings would be appropriate, can be found within various industrial and commercial areas throughout the County.

- ii. <u>Cannabis Manufacturing</u>: A cannabis manufacturing facility is a facility that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products. The size of cannabis manufacturing businesses could vary significantly from small "mom and pop" operations to larger manufacturing facilities with numerous employees, equipment and vehicles.
- iii. <u>Cannabis Testing</u>: A cannabis testing facility is a business where tests are performed on cannabis and cannabis products to determine potency, purity and other characteristics of the products.

Properly regulated, testing facilities could be discrete operations with minimal external impacts. A comparable use would be medical testing/laboratory facilities.

iv. <u>Delivery-Only Dispensary</u>: State law permits the establishment of delivery only dispensaries which operate from a fixed location without a storefront. If permitted, any proposed County ordinance permitting delivery only dispensaries could prohibit all outward signage or advertisements of the business. Properly regulated delivery only dispensaries are likely to have little negative impact on surrounding uses.

b. **Zoning**

Since commercial cannabis manufacturing, distribution, testing and retail delivery do not involve onsite cultivation or direct retail sales at a fixed location, staff is recommending that all of these uses be considered for the same or similar zoning districts and buffers.

Based on preliminary analysis of the appropriate zoning districts where cannabis distribution, manufacturing and testing facilities as well as delivery only dispensaries could be considered compatible and appropriate, staff has determined that the following zoning districts should be evaluated further for eligibility:

- Light-Industrial (L-I)
- Heavy Industrial (H-I)
- Controlled-Manufacturing (C-M)
- Commercial (C)
- Planned Unit District (P-1) within the ULL with Commercial, Industrial and Mixed-Use (M-5 and M-5) General Plan Designations only

C. Sensitive Receptor Buffers

In order to ensure that the listed commercial cannabis uses do not occur near sensitive receptors, or impact nearby properties, buffer zones from the uses are recommended. Sensitive receptors include residential zoning districts, schools, playgrounds, neighborhood and community parks, libraries and drug treatment centers.

d. Mapping

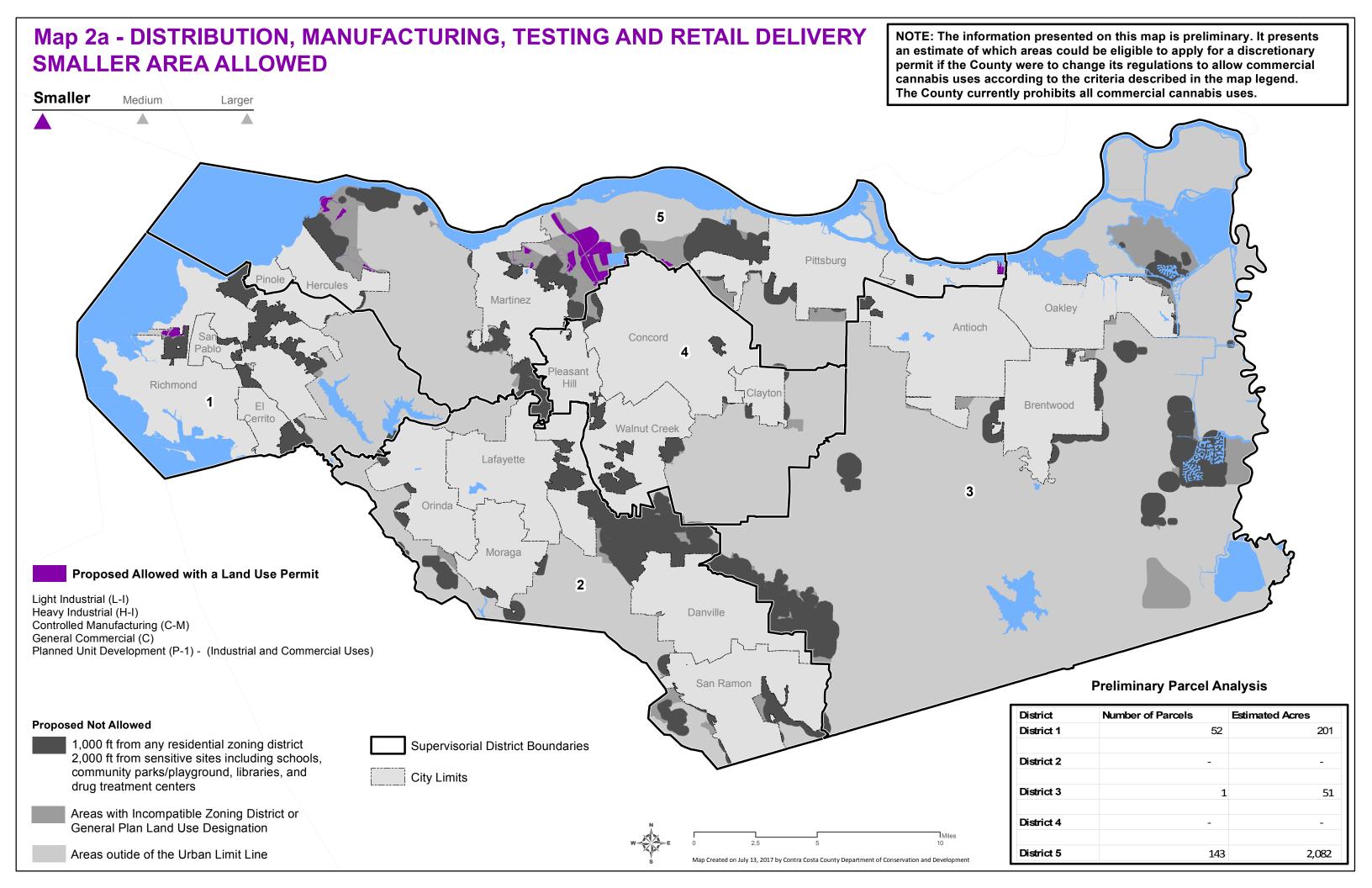
Preliminary zoning maps for the commercial cannabis uses listed above have been prepared utilizing the identified zoning districts and buffers. In order to provide the Board with a range of options as well as to provide some context on the impact buffer zones have on the number of parcels meeting the proposed criteria for the specific commercial cannabis uses, three separate zoning maps have been prepared for comparison purposes.

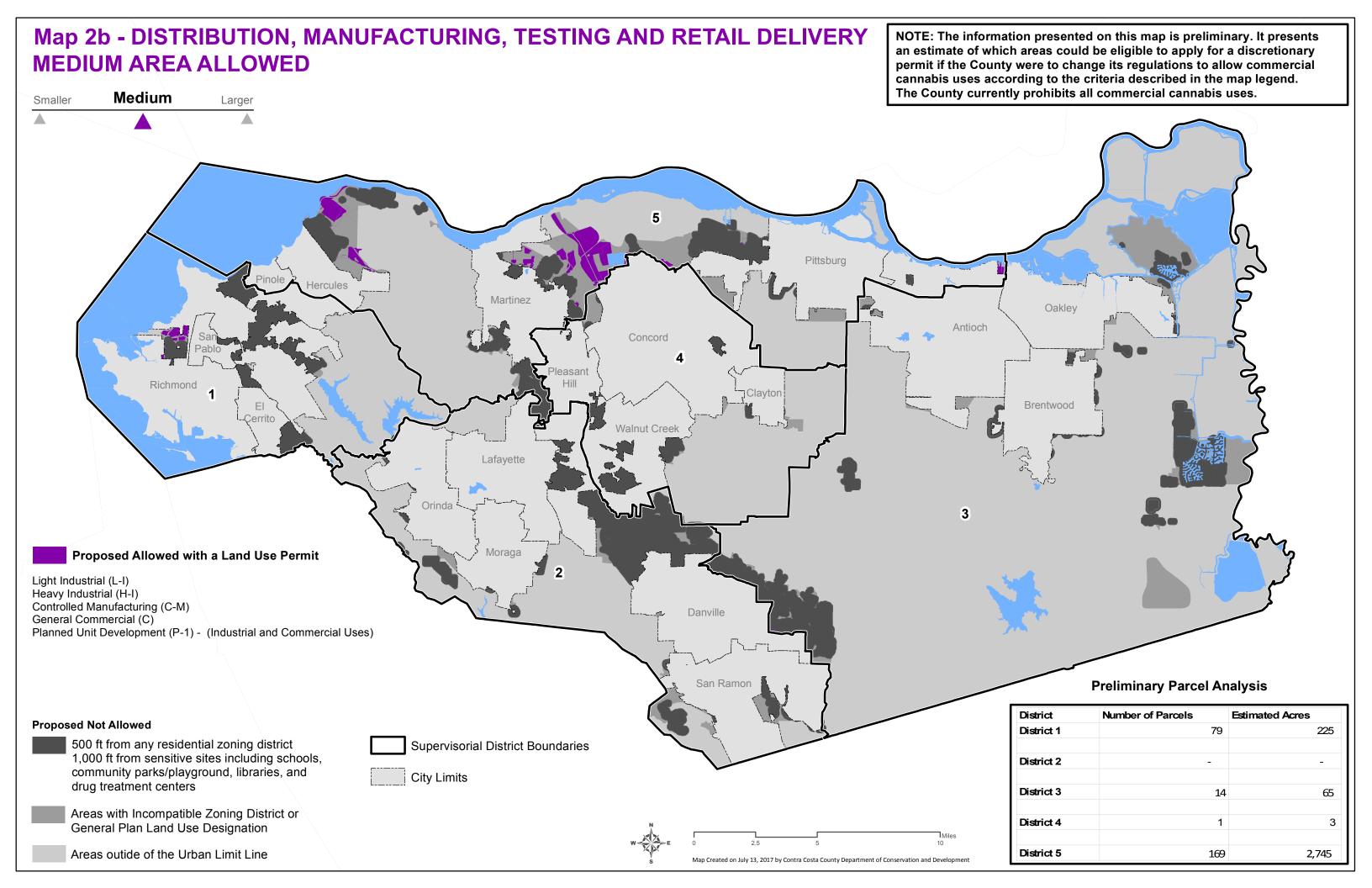
- Map #2a_depicts all of the eligible parcels for commercial cannabis distribution, manufacturing, testing and delivery utilizing the zoning districts listed above, and with a 2,000-foot buffer zone from schools, parks, playgrounds, libraries and drug treatment centers and 1,000-foot buffer from residential zoning districts.
- Map #2b depicts all of the eligible parcels for commercial cannabis distribution, manufacturing, testing and delivery utilizing the zoning districts listed above, with

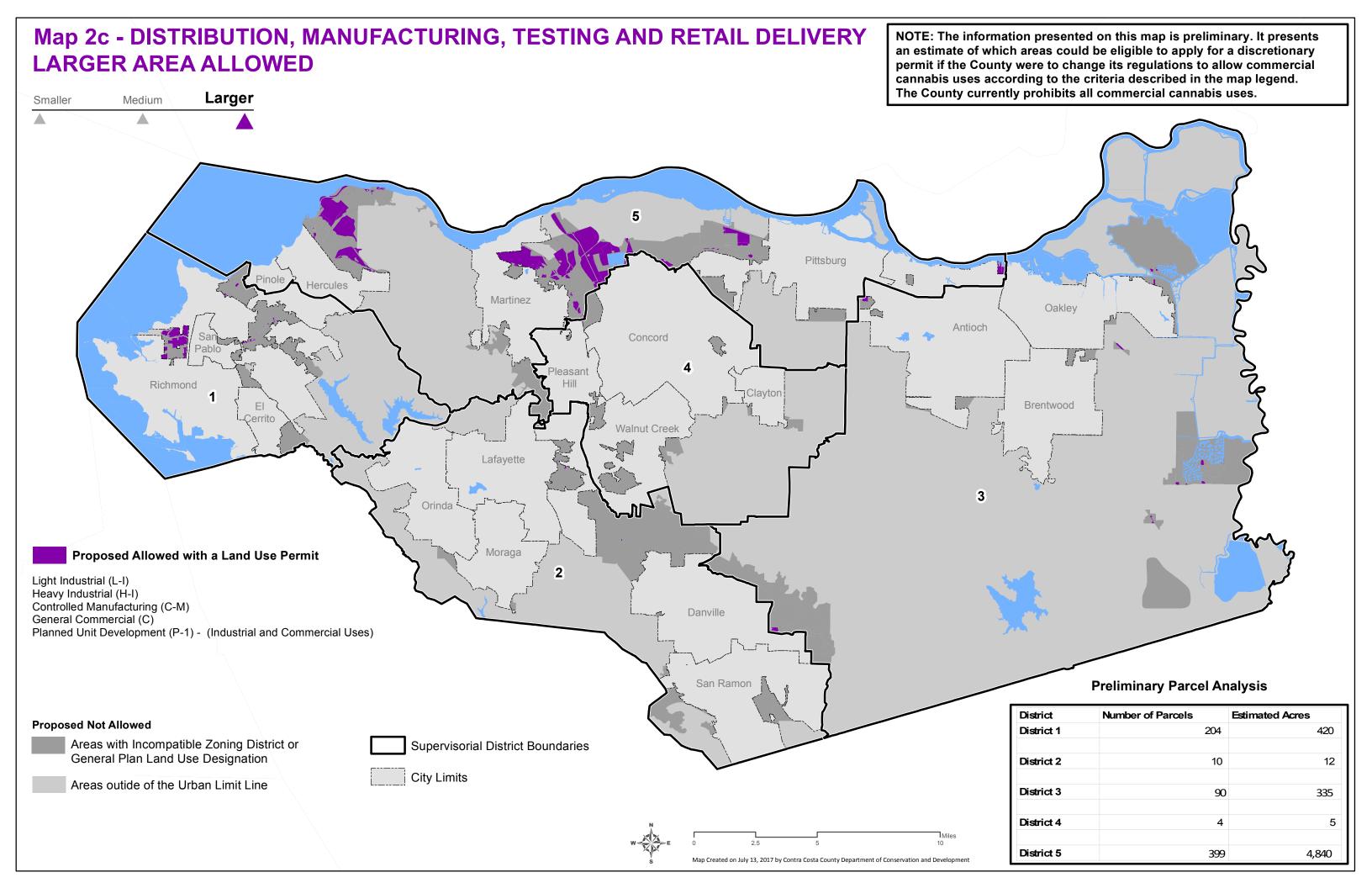
<u>a 1,000-foot buffer zone from schools, parks, playgrounds, libraries and drug treatment centers and 500-foot buffer from residential zoning districts.</u>

• Map #2c depicts all of the eligible parcels for commercial cannabis distribution, manufacturing, testing and delivery utilizing the zoning districts listed above, without any buffer zones (buffers of some size are recommended, but this map does provide context on the effect of buffers on the map).

(SEE MAPS ON NEXT PAGE)







3. RETAIL CANNABIS DISPENSARIES

a. **Zoning**

Retail cannabis dispensaries are businesses where cannabis and cannabis products would be sold directly to adults over the age of 21 from a storefront location. In order to provide local access to cannabis and cannabis products, dispensaries are typically located in or near retail centers in urbanized areas. Staff recommends that is retail sales of cannabis is allowed at storefronts, that the business be dedicated solely to cannabis and cannabis related products (eg. no sales at liquor stores, etc.). Based on staff's initial analysis of the zoning districts where retail cannabis dispensaries could be considered compatible and appropriate with a land use permit, the following zoning districts should be evaluated further for eligibility:

- Retail-Business (R-B)
- Commercial (C)
- Planned Unit District (P-1) inside the ULL with Commercial, Industrial and Mixed-Use (M-5 and M-10) General Plan Designations only
- <u>Potentially Permitted</u> within the Controlled-Manufacturing (C-M); Light-Industrial (L-I) and Heavy-Industrial (H-I) zoning districts.

b. Sensitive Receptor Buffers

In order to ensure that dispensaries do not occur near sensitive receptors, or impact nearby properties, buffer zones from the uses are recommended. Sensitive receptors include residential zoning districts, schools, playgrounds, neighborhood and community parks, libraries and drug treatment centers.

C. Mapping

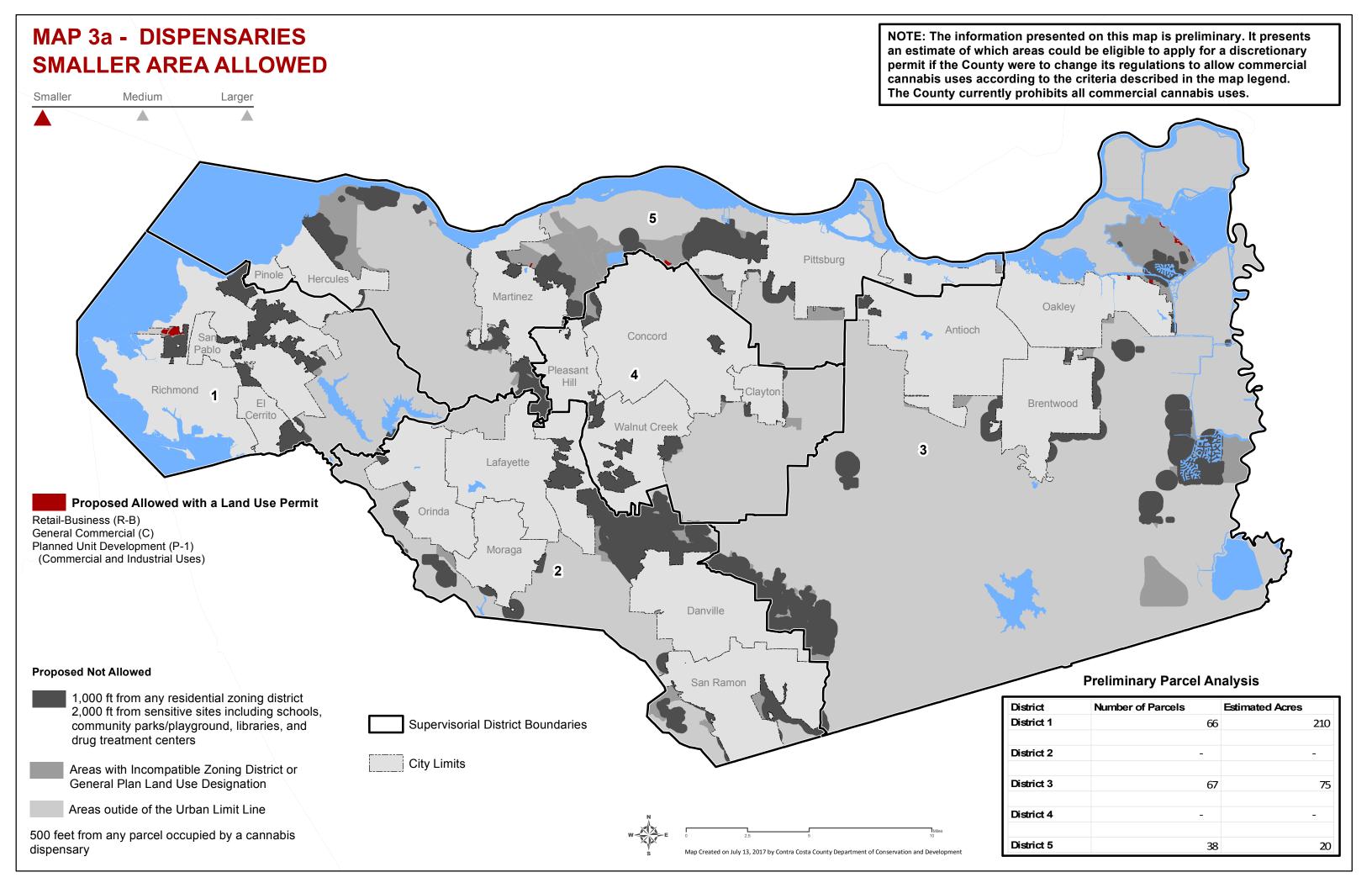
Preliminary zoning maps for cannabis dispensaries have been prepared utilizing the identified zoning districts and buffers. In order to provide the Board with a range of options as well as to provide some context on the impact buffer zones have on the number of parcels meeting the proposed criteria for dispensaries, three separate zoning maps have been prepared for comparison purposes.

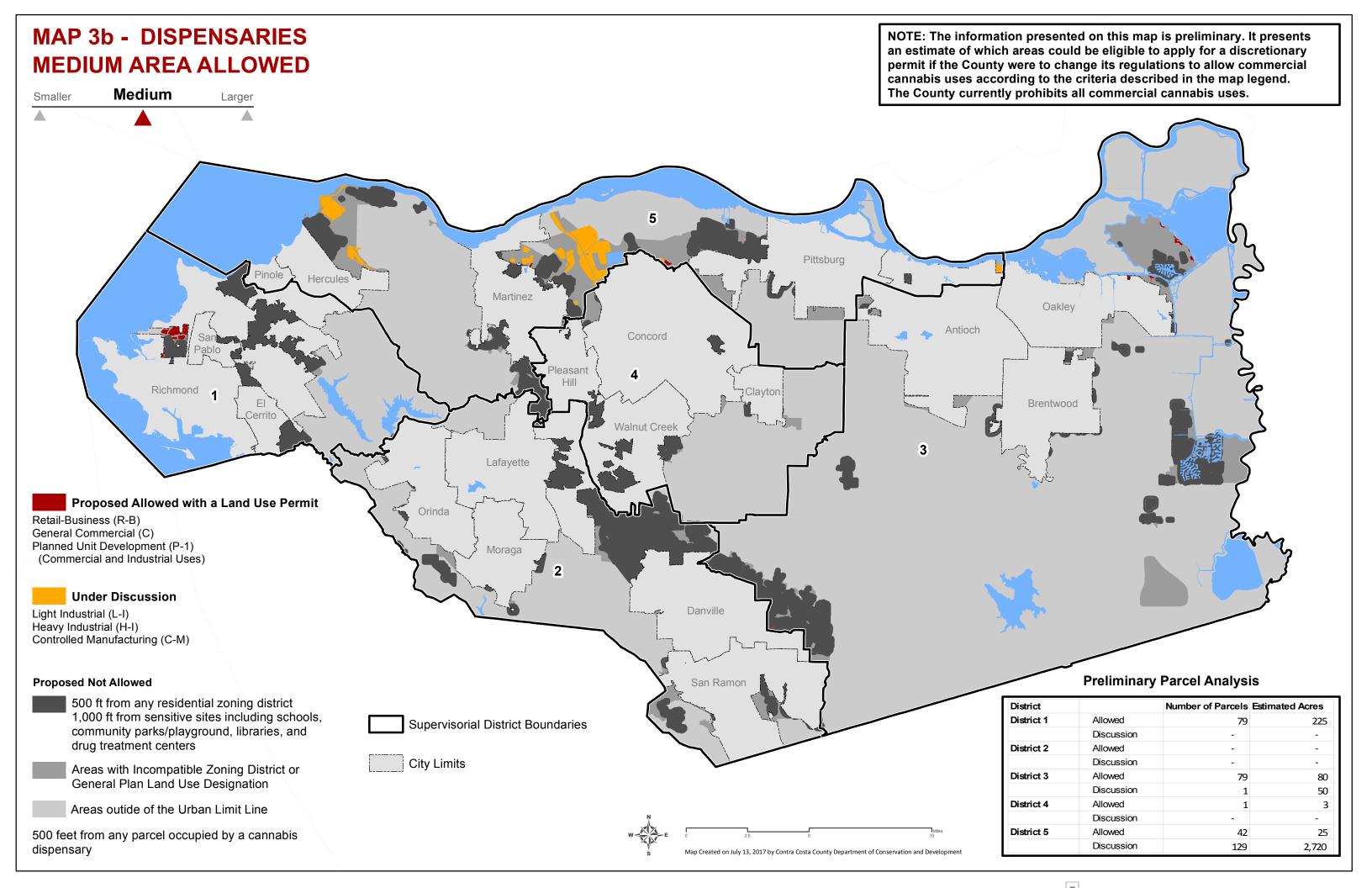
- Map #3a depicts all of the eligible parcels for cannabis retail dispensaries utilizing the zoning districts listed above, outside the ULL, with a 2,000-foot buffer zone from schools, parks, playgrounds libraries and drug treatment centers and 1,000-foot buffer from residential zoning districts.
- Map #3b depicts all of the eligible parcels for retail dispensaries utilizing the zoning districts listed above, including the "Under-Discussion" zoning districts,

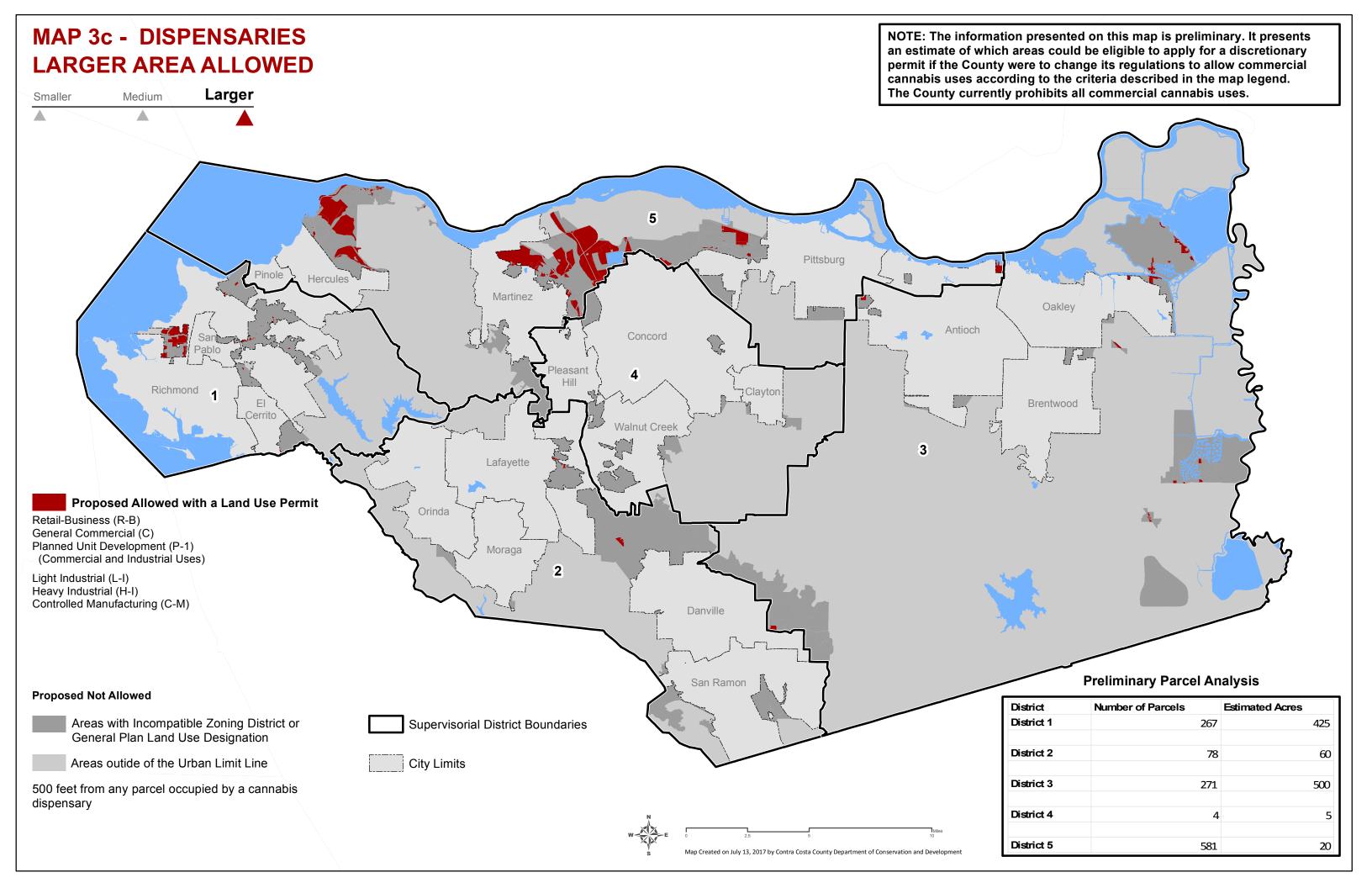
Controlled-Manufacturing (C-M), Light-Industrial (L-I), and Heavy-Industrial (H-I), with a 1,000-foot buffer zone from schools, parks, playgrounds, libraries and drug treatment centers and 500-foot buffer from residential zoning districts

• Map #3c depicts all of the eligible parcels for retail dispensaries utilizing the zoning districts listed above, inside the ULL, without any buffers and permitted in the Controlled-Manufacturing (C-M), Light-Industrial (L-I), and Heavy-Industrial (H-I) zoning districts (buffers of some size are recommended, but this map does provide context on the effect of buffers on the map).

(SEE MAPS ON NEXT PAGE)







PRELIMINARY COMMERCIAL CANNABIS LAND USE MATRIX

JULY 2017

ZONING DISTRICT	Indoor Cultivation	Outdoor Cultivation (including nurseries and greenhouses)	Distribution Center	Manufacturing	Testing	Delivery Only (Fixed Location)	Dispensary
Planned Unit with Commercial, Industrial, Mixed-Use, Agricultural GP Designation (P-1)							
Agricultural Zoning Districts (A-)							
Retail-Business (R-B)							
Neighborhood Business (N-B)							
Limited Office (O-1)							
General Commercial (C)							
Controlled Manufacturing (C-M)							
Light Industrial (L-I)							
Heavy Industrial (H-I)							
Unrestricted (U)							
Forestry Recreation (F-R)							
Proposed Eligible With Land Use Permit Not Eligible Potentially Eligible (not as suitable as zoning districts marked "green")							

NOTE: The information presented on this chart is preliminary. It presents zoning districts where applications for discretionary permits could be eligible if the County were to change its regulations to allow commercial cannabis uses. The County currently prohibits all commercial cannabis uses.