

ORDINANCE NUMBER 1358

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, AMENDING CHAPTER 5.58 (COMMERCIAL MARIJUANA OPERATIONS REGULATORY PROGRAM) OF TITLE 5 OF THE PERRIS MUNICIPAL CODE, TO PERMIT THE COMMERCIAL MARIJUANA USES OF (WHOLESALE) DISTRIBUTION AND MANUFACTURING, TO CLARIFY THE DEFINITION OF “PLACES OF WORSHIP,” TO PERMIT CO-LOCATION OF COMMERCIAL MARIJUANA USES AS ALLOWED BY STATE LAW, AND TO PROVIDE PROCEDURES FOR DISTRIBUTION AND MANUFACTURING COMMERCIAL MARIJUANA OPERATIONS TO ENTER INTO CITY COMMUNITY BENEFIT AGREEMENTS; AND, AMENDING CHAPTER 5.54 (MEDICAL MARIJUANA DISPENSARY REGULATORY PROGRAM) OF TITLE 5 OF THE PERRIS MUNICIPAL CODE TO CLARIFY THE DEFINITION OF “PLACES OF WORSHIP”

WHEREAS, in 1996 California voters approved Proposition 215, the Compassionate Use Act (“CUA”), codified as Section 11362.5 of the Health and Safety Code, to exempt certain patients and their primary caregivers from criminal liability under state law for the possession and cultivation of marijuana for medical purposes; and

WHEREAS, in 2003 the California legislature enacted Senate Bill 420, the Medical Marijuana Program Act (“MMPA”), codified as Sections 11362.7, *et seq.*, of the Health & Safety Code, and as later amended, to clarify the scope of the Compassionate Use Act of 1996 relating to the possession and cultivation of marijuana for medical purpose, and to authorize local governing bodies to adopt and enforce laws consistent with its provisions; and

WHEREAS, in October 2015, the State of California adopted AB 266, AB 243, and SB 643, collectively referred to as the Medical Cannabis Regulation and Safety Act (“MCRSA”), which established a comprehensive regulatory and licensing scheme for commercial medical marijuana operations; and

WHEREAS, at the November 8, 2016 general election, the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”) was approved by California voters as Proposition 64, which established a comprehensive regulatory and licensing scheme for commercial recreational (adult use) marijuana operations, and which also legalized limited personal recreational marijuana use, possession, and cultivation; and

WHEREAS, on June 27, 2017 Governor Brown signed Senate Bill 94, the Medicinal and Adult Use Cannabis Regulation and Safety Act (“MAUCRSA”), which merged the regulatory regimes of MCRSA and AUMA; and

WHEREAS, the MAUCRSA provides that the State of California will begin issuing licenses in 2018 for both medical and recreational marijuana businesses in 20 different categories, which are found in Section 26050 of the Business & Professions Code, and which categories include marijuana cultivation, manufacturer, testing, retailer, distributor, and microbusiness; and

WHEREAS, the MAUCRSA, Section 26200(a)(1) of the Business & Professions Code, provides that local jurisdictions may completely prohibit the establishment or operation of any or all of the 20 different medical and recreational business operations to be licensed by the state under Section 26050 of the Business & Professions Code; and

WHEREAS, the MAUCRSA, Section 26055(d) of the Business & Professions Code, provides that a state commercial marijuana license may not be issued to an applicant whose operations would violate the provisions of any local ordinance or regulation; and

WHEREAS, the MAUCRSA, Section 26200(a)(1) of the Business & Professions Code, provides that local jurisdictions may adopt and enforce local ordinances to regulate any or all of the 20 different medical and recreational business operations to be licensed by the state under Section 26050 of the Business & Professions Code, including, but not limited to, local zoning and land use requirements; and

WHEREAS, the MAUCRSA, Section 26201 of the Business & Professions Code, provides that any standards, requirements, and regulations regarding health and safety, environmental protection, testing, security, food safety, and worker protections established by the state for the 20 different medical and recreational business operations to be licensed by the state under Business & Professions Code § 26050, shall be the minimum standards, and a local jurisdiction may establish additional standards, requirements, and regulations; and

WHEREAS, the voters of the City of Perris at the November 8, 2016 regular election approved adoption of Chapter 5.54 (Medical Marijuana Dispensary Regulatory Program) to the Perris Municipal Code, which established a comprehensive set of regulations with an attendant regulatory permit applicable to the operation of medical marijuana dispensaries; and

WHEREAS, on November 14, 2017, the City Council of the City of Perris adopted Ordinance No. 1355 to add new Chapter 5.58 (Commercial Marijuana Operations Regulatory Program) to Title 5 of the Perris Municipal Code, so as to regulate commercial marijuana operations by allowing testing and indoor/mixed-light cultivation, while banning adult-use retail, adult-use deliveries, manufacturing, outdoor cultivation and (wholesale) distribution;

WHEREAS, pursuant to the above-described express statutory authority and its police power, the City now desires to amend Chapter 5.58 (Commercial Marijuana Operations Regulatory Program) of Title 5 of the Perris Municipal Code, so as to permit the commercial marijuana uses of (wholesale) distribution and manufacturing; and

WHEREAS, the City desires to clarify the definition of “places of worship” in both Chapter 5.54 (Medical Marijuana Dispensary Regulatory Program), as well as Chapter 5.58 (Commercial Marijuana Operations Regulatory Program), which is used to generate sensitive-uses buffer zones, so as to provide certainty to the public, applicants for commercial marijuana operation permits, and City staff; and

WHEREAS, the City desires to allow co-location of commercial marijuana operations to the extent allowed by State law; and

WHEREAS, the City desires to adopt procedures for manufacturing and distribution commercial marijuana operations to enter into community benefit agreements with the City; and

WHEREAS, this Ordinance is enacted, consistent with the Compassionate Use Act of 1996, the Medical Marijuana Program Act of 2003, the Medical Cannabis Regulation and Safety Act of 2015, the Adult Use of Marijuana Act of 2016, and the Medicinal and Adult Use of Cannabis Regulation and Safety Act of 2017, to protect, promote and maintain the public health, safety, and welfare of City residents and visitors in relation to marijuana related uses and activities; and

WHEREAS, pursuant to the above-described express statutory authority and the City's police power, the City has the authority to prohibit, permit and regulate any and all commercial marijuana activities (whether not-for-profit or for-profit) that may otherwise be permitted by the State of California under the MCRSA, the AUMA, and the MAUCRSA; and

WHEREAS, the City finds that this ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to both the exemption provided by Section 26055(h) of the Business and Professions Code as well as Sections 15060(c)(3) and 15061(b)(3) of the CEQA Guidelines; and

WHEREAS, nothing in this Ordinance shall be construed to allow any person to engage in conduct that endangers others or causes a public nuisance; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA FINDS AND ORDAINS AS FOLLOWS:

SECTION 1. THE CITY COUNCIL OF THE CITY OF PERRIS HEREBY MAKES THE FOLLOWING FINDINGS:

- A. The recitals set forth above are all true and correct and are incorporated herein.
- B. The regulation of marijuana activities established by this Ordinance is necessary to protect the public health, safety and welfare, and is enacted pursuant to the authority granted to the City by state law.

SECTION 2. CHAPTER 5.58 (COMMERCIAL MARIJUANA OPERATIONS REGULATORY PROGRAM) OF TITLE 5 (BUSINESS TAX CERTIFICATES AND REGULATIONS) OF THE PERRIS MUNICIPAL CODE IS HEREBY AMENDED AS FOLLOWS:

- A. SECTION 5.58.040 (PROHIBITED COMMERCIAL MARIJUANA OPERATIONS) IS AMENDED AS FOLLOWS (DELETIONS INDICATED BY STRIKETHROUGH, ADDITIONS INDICATED BY **BOLD AND ITALICS**):

"Sec. 5.58.040 - Prohibited commercial marijuana operations.

A. Operations Prohibited. Commercial marijuana operations (including non-profit operations) within the City which involve the activities of outdoor cultivation, ~~manufacturing~~, retail (adult-use), ~~distributor~~ or microbusiness are prohibited, including but not limited to commercial marijuana activities licensed by the state license classifications listed below as provided in Business and Professions Code § 26050:

1. Type 1 = Cultivation; Specialty outdoor; Small.
2. Type 1C = Cultivation; Specialty cottage; Small (outdoor).
3. Type 2 = Cultivation; Outdoor; Small.
4. Type 3 = Cultivation; Outdoor; Medium.
5. Type 5 = Cultivation; Outdoor; Large.
- ~~6. Type 6 = Manufacturer 1.~~
- ~~7. Type 7 = Manufacturer 2.~~
- ~~8. 6. Type 10 = Retailer (adult-use / non-medical).~~
- ~~9. Type 11 = Distributor.~~
- ~~10. 7. Type 12 = Microbusiness.~~

B. Similar Activities. The prohibition provided by above subsection (A) includes any similar activities authorized under new or revised state licenses, or any other state authorization, to allow any type, category or classification of marijuana commercial activities which involve the activities of outdoor cultivation, ~~manufacturing~~, retail (adult-use), ~~distributor~~ or microbusiness, or similar operations (including non-profit, collective or cooperative operations).”

B. SECTION 5.58.050 (PROHIBITED COMMERCIAL MARIJUANA OPERATIONS) IS AMENDED AS FOLLOWS (ADDITIONS INDICATED BY *BOLD AND ITALICS*):

“Sec. 5.58.050 - Permitted commercial marijuana operations.

A. Operations Permitted. Commercial marijuana operations (including non-profit operations) within the City which involve the activities of indoor or mixed-light cultivation (including indoor or mixed-light nurseries), *manufacturing, distributor* and testing are allowed subject to both issuance and maintenance of a valid and current City commercial marijuana operation permit, as well as continuing adherence to this entire chapter. Commercial marijuana operations (including non-profit operations) within the City which involve the activities of retail (medical) are allowed subject to the issuance and maintenance of a valid and current medical marijuana dispensary permit pursuant to Chapter 5.54 (Medical Marijuana Dispensary Regulatory Program). All permitted commercial marijuana operations are required to maintain continuing adherence to all applicable city and state regulations and laws, and issuance and maintenance of a valid and current equivalent state license type listed below, as provided for in Business and Professions Code § 26050:

1. Type 1A = Cultivation; Specialty indoor; Small.
2. Type 1B = Cultivation; Specialty mixed-light; Small.
3. Type 1C = Cultivation; Specialty cottage; Small (indoor or mixed-light).
4. Type 2A = Cultivation; Indoor; Small.
5. Type 2B = Cultivation; Mixed-light; Small.
6. Type 3A = Cultivation; Indoor; Medium.
7. Type 3B = Cultivation; Mixed-light; Medium.

- 8. Type 4 = Cultivation; Nursery (indoor or mixed-light).
- 9. Type 5A= Cultivation; Indoor; Large
- 10. Type 5B = Cultivation; Mixed-light; Large.
- 11. Type 6 = Manufacturer 1.**
- 12. Type 7 = Manufacturer 2.**
- ~~13.~~ **13.** Type 8 = Testing.
- ~~14.~~ **14.** Type 10 = Retailer (medical).
- 15. Type 11 = Distributor.**

B. Similar Activities. The requirements provided by above subsection (A) apply to any similar activities authorized under new or revised state licenses, or any other state authorization, to allow any type, category or classification of marijuana commercial activities which involve the activities of indoor or mixed-light cultivation (including indoor or mixed-light nurseries), testing, retail (medical), **manufacturing, distributor**, or similar operations (including non-profit, collective or cooperative operations).”

C. SECTION 5.58.124 (WHOLESALE DISTRIBUTION OPERATING STANDARDS AND RESTRICTIONS) IS ADDED TO READ IN ITS ENTIRETY AS FOLLOWS:

“Sec. 5.58.124 – Wholesale distribution operating standards and restrictions.

A commercial marijuana operation engaged in distribution shall operate in conformance with both the General Operating Standards and Restrictions provided for in Section 5.58.100, as well as with the following minimum standards, and such standards shall be deemed to be part of the conditions of the permit for a distribution commercial marijuana operation to ensure that its operation is in compliance with California law and the Perris Municipal Code, and to mitigate any potential adverse impacts of the commercial marijuana operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance from the City Council, or by the Director (upon authorization by resolution from the City Council).

- A. City Permit and State License. No person shall engage in distribution without both a current and valid City Commercial Marijuana Operation Permit issued for distribution as well as a current and valid equivalent state license as provided for under Division 10 of the Business and Professions Code, and as may be amended.
- B. State Standards. All state requirements and regulations that govern distribution operations, including but not limited to the regulations promulgated by the California Bureau of Cannabis Control within the Department of Consumer Affairs, and as may be amended, shall apply as minimum requirements and regulations for distribution commercial marijuana operations within the City of Perris, in addition to the requirements and regulations of this chapter and this Code.
- C. Location Restrictions.
 - 1. No distribution operation shall locate or operate in any area or zone of the City of Perris, other than in the following subareas of the Light Industrial (LI) Zone or the General Industrial (GI) Zone, as defined more fully in Chapter 19.44 (Industrial Zones) of Title 19 (Zoning) of the Perris Municipal Code:

- a. North Perris: North of Perry Street to the city limits, between the Perris Valley Storm Drain Channel and the I-215 Freeway.
 - b. South Perris: North of Watson Road, south of Ellis Avenue, between the Perris Valley Storm Drain Channel and Santa Fe Railroad.
2. No distribution operation shall locate within six hundred (600) feet of a school, park, place of worship, residential zone, youth-oriented facility, youth center or day care center. The distance shall be measured as the horizontal distance measured in a straight line from the property line of one site to the property line of another site.

D. Distribution Restrictions.

1. Distribution operations shall distribute marijuana and marijuana products only between licensed marijuana commercial operations.
2. Distribution operations shall not conduct retail sales of marijuana or marijuana products.
3. Distribution operations shall not distribute any marijuana or marijuana products to retail operations unless such marijuana or marijuana products has been properly tested and approved for retail sale pursuant to State law.
4. Upon demand by any Operation Officer a distributor shall make immediately available copies of any required shipping manifests as understood by Section 26070(f) of the Business and Professions Code.

E. Site Requirements. The site shall comply with the following requirements:

1. Visibility.
 - a. Neither marijuana, marijuana products, nor visible exterior evidence of any distribution activities, shall be visible from the public right-of-way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby.
 - b. Building frontage shall be constructed and designed so as to entirely conceal from public view both all distribution activities conducted by the permittee, as well as all marijuana and marijuana products at the site.
2. Main Entrance and Lobby. The site shall have a building with a main entrance that is clearly visible from the public street or sidewalk. The main entrance shall be maintained clear of barriers, landscaping, and other obstructions. Inside of the main entrance, there shall be a lobby to receive persons into the site and to verify whether they are allowed in the distribution commercial marijuana operation areas. Members of the general public shall not be allowed in the distribution commercial marijuana operation areas except for reasons of lawful business.
3. Secure Product. All marijuana and marijuana products at the site shall be kept in a secured manner at all times.
4. Transport Area. Each building with a storage area shall have an area designed for the secure transfer of marijuana from vehicles to the storage area.

5. Storage Area. Each building shall have adequate storage space for marijuana. The storage areas shall be separated from the main entrance and lobby, shall be secured by a lock accessible only to employees of the permittee, and shall only be used for the storage of cannabis, cannabis products, and related items.
- F. Sanitation. The permittee shall establish and implement written procedures that maintain the highest industry standards of sanitation and cleanliness for the operation so as to ensure the distribution of marijuana and marijuana products free of harmful contaminants.
- G. Training. The permittee shall establish and implement written procedures that provide for the highest industry standards of training for employees engaged in distribution operations.
- H. Signs. A permittee shall display conspicuously in the lobby of the site the following signs, so that each sign may be readily seen by persons entering the site, and each sign must be at least 8 inches by 10 inches in size:
1. “This site is not open to the public.”
 2. “Retail sales of any goods and services is prohibited”
 3. “Minors are prohibited from entering this site.”
 4. “Smoking, ingesting, or consuming marijuana on or within 20 feet of this site is prohibited.”
- I. Restricted Access.
1. The site shall be closed to the general public. No one shall be allowed on the distribution site, except for employees, or persons with a bona fide business or regulatory purpose for being on the site, such as contractors or inspectors.
 2. Minors are prohibited at all times from entering the location of the site.”
- D. SECTION 5.58.030 (DEFINITIONS) IS AMENDED TO INCLUDE THE FOLLOWING NEW TERMS AND DEFINITIONS:
- “Manufacturer Level 1 (Type 6)” means a manufacturer that manufactures cannabis products using nonvolatile solvents, or no solvents, as understood by Chapter 13 (“Manufacturers and Cannabis Products”) of Division 10 (“Cannabis”) of the Business and Profession Code, and as may be amended.
 - “Manufacturer Level 2 (Type 7)” means a manufacturer that manufactures cannabis products using volatile solvents, as understood by Chapter 13 (“Manufacturers and Cannabis Products”) of Division 10 (“Cannabis”) of the Business and Profession Code, and as may be amended.
 - “Volatile solvent” has the same definition as set forth in Health and Safety Code section 11362.3, and as may be amended, defined as a solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.
- E. SECTION 5.58.126 (MANUFACTURING OPERATING STANDARDS AND

RESTRICTIONS) IS ADDED TO READ IN ITS ENTIRETY AS FOLLOWS:

“Sec. 5.58.126 – Manufacturing operating standards and restrictions.

A commercial cannabis operation engaged in manufacturing shall operate in conformance with both the General Operating Standards and Restrictions provided for in Section 5.58.100, as well as the following minimum standards, and such standards shall be deemed to be part of the conditions on the permit for a manufacturing commercial cannabis operation to ensure that its operation is in compliance with California law and the Perris Municipal Code, and to mitigate any potential adverse impacts of the commercial cannabis operation on the public health, safety or welfare.

Additional minimum standards may be adopted from time to time either by resolution or ordinance from the City Council, or (upon authorization by resolution from the City Council) by the Director.

- A. City Permit and State License. No person shall engage in manufacturing without both a current and valid City Commercial Marijuana Operation Permit issued for manufacturing as well as a current and valid equivalent state license as provided for under Division 10 of the Business and Professions Code, and as may be amended.
- B. State Standards. All state requirements and regulations that govern manufacturing operations, including but not limited to both regulations promulgated by the State Department of Public Health, as well as all horticultural, labeling and processing standards, shall apply as minimum requirements and regulations and requirements for manufacturing commercial cannabis operations within the City of Perris, in addition to the requirements and regulations of this chapter and this Code.
- C. Location Restrictions.
 - 1. No manufacturing operation shall locate or operate in any area or zone of the City of Perris, other than in the following subareas of the Light Industrial (LI) Zone or the General Industrial (GI) Zone, as defined more fully in Chapter 19.44 (Industrial Zones) of Title 19 (Zoning) of the Perris Municipal Code:
 - a. North Perris: North of Perry Street to the city limits, between the Perris Valley Storm Drain Channel and the I-215 Freeway.
 - b. South Perris: North of Watson Road, south of Ellis Avenue, between the Perris Valley Storm Drain Channel and Santa Fe Railroad.
 - 2. No manufacturing operation shall locate within six hundred (600) feet of a school, **park, place of worship, residential zone, youth-oriented facility**, youth center or day care center. The distance shall be measured as the horizontal distance measured in a straight line from the property line of one site to the property line of another site.
 - 3. No Manufacturer 2 (Type 7) permittee shall locate or operate within the March Air Reserve Base (ARB) Accident Potential Zones (APZs).
- D. Manufacturer 1 (Type 6) permittees (as defined by Division 10 of the Business and Professions Code) shall utilize only manufacturing processes that are either solventless or that employ only nonflammable, nontoxic solvents that are generally recognized as safe pursuant to the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.).

E. Manufacturer 2 (Type 7) permittees shall utilize only manufacturing processes that use solvents exclusively within a closed-loop system that meets all of the following requirements:

1. The system uses only solvents that are generally recognized as safe pursuant to the federal Food, Drug, and Cosmetic Act (21 U.S.C. Sec. 301 et seq.).
2. The system is designed to recapture and contain solvents during the manufacturing process, and otherwise prevent the off-gassing of solvents into the ambient atmosphere to mitigate the risks of ignition and explosion during the manufacturing process.
3. A licensed engineer certifies that the system is commercially manufactured, safe for its intended use, and built to codes of recognized and generally accepted good engineering practices, including, but not limited to, the American Society of Mechanical Engineers (ASME), the American National Standards Institute (ANSI), Underwriters Laboratories (UL), the American Society for Testing and Materials (ASTM), or OSHA Nationally Recognized Testing Laboratories (NRTLs).
4. The system has a certification document that contains the signature and stamp of a professional engineer and the serial number of the extraction unit being certified.

F. Health and Safety; Director Approval

1. General.

- a. Manufacturing operations before commencing operation, and as a continuing prerequisite to continuing operations, shall receive, and maintain, written approval from the Director that any closed-loop system, other equipment used, the on-site storage of compressed gases, the extraction operation, and the manufacturing facilities in general, all meet or exceed appropriate health and safety standards as determined by the Director.
- b. These health and safety standards include any required fire, safety and building code requirements specified in the California Fire Code, the National Fire Protection Association (NFPA) standards, the International Building Code (IBC), the International Fire Code (IFC), and any other applicable standards, including complying with all applicable fire, safety, and building codes in processing, handling, and storage of solvents or gasses.

2. Fire Safety Plan.

- a. Manufacturing operations shall not commence until written approval is received from the Director for a completed Fire Safety Plan for the operation.
- b. An application for a renewal of a Manufacturing Commercial Cannabis Operation Permit shall not be approved until an inspection of the site occurs

by the Director which affirms that both the operation remains in compliance with the approved Fire Safety Plan (or an amended Fire Safety Plan as determined by the Director) and that any further actions that need to be taken in the determination of the Director are taken to ensure that all applicable and necessary health and safety requirements are met.

3. Certified Industrial Hygienist (CIH).
 - a. The permittee must provide for, maintain, and follow a detailed plan prepared by a CIH, and approved by the Director, to insure the appropriate health and safety procedures including, but not limited to, procedures necessary to control hazards, for use of proper protective equipment, product safety, compliance with Cal OSHA limits, to provide specifications for ventilation controls, and ensure environmental protections, are adopted and used by the operation on a continuing basis.
 - b. The Director shall establish further written requirements for the plan, including but not limited to required inspections by the CIH and a hazardous materials management plan. Upon reasonable determination by the Director the permittee shall be required to update or amend the approved plan to the satisfaction of the Director.
4. UL (Underwriters Laboratories) Listed. All processing and analytical testing devices used by the operation must be UL listed, or otherwise approved for the intended use by the Director. Any processing devices using only non-pressurized water are exempt from such approval.
5. Hazardous Materials. All hazardous material used, generated or associated with the operation must be disposed of in a manner which is approved by the Director before disposal occurs, and which is compliant with all local, State and federal guidelines for the disposal of hazardous materials.
6. Waste Treatment System. The permittee must provide for and maintain a waste treatment system which is approved by the Director so as to prevent contamination in areas where cannabis or cannabis products may be exposed to such a system's waste or waste by-products.

G. Site Requirements. The site shall comply with the following requirements:

1. Indoor Manufacturing Only. All manufacturing shall occur in a fully enclosed building.
2. Fire Sprinklers. The site shall be equipped with an automatic fire sprinkler system, in accordance with NPFA 13, California Fire Code (Section 903), and the Perris Municipal Code, with zero (0) square foot requirement.
3. Visibility. Neither cannabis, cannabis products nor visible exterior evidence of any manufacturing activity, shall be visible from the public right-of-way, the unsecured areas surrounding the buildings on the site, or the site's main entrance and lobby.
4. Main Entrance and Lobby. The site shall have a building with a main entrance that is clearly visible from the public street or sidewalk. The main entrance shall be maintained clear of barriers, landscaping, and other obstructions. Inside of the main

entrance, there shall be a lobby to receive persons into the site and to verify whether they are allowed in the manufacturing areas. Members of the general public shall not be allowed in the manufacturing commercial cannabis operation areas except for reasons of lawful business.

5. Secure Product. All cannabis and cannabis products at the site shall be kept in a secured manner at all times.
 6. Manufacturing Area. All manufacturing areas in any building on the site shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to employees of the permittee.
 7. Transport Area. Each building with a manufacturing area shall have an area designed for the secure transfer of cannabis from a vehicle to the manufacturing area.
 8. Storage Area. Each building with a manufacturing area shall have adequate storage space for cannabis that has been manufactured or is waiting to be manufactured. The storage areas shall be separated from the main entrance and lobby, and shall be secured by a lock accessible only to employees of the manufacturing permittee.
- H. Sanitation. The permittee shall establish and implement written procedures that maintain the highest industry standards of sanitation and cleanliness for the operation so as to ensure the manufacture of cannabis products free of harmful contaminants.
- I. Training. The permittee shall establish and implement written procedures that provide for the highest industry standards of training for employees engaged in manufacturing operations.
- J. Edible Cannabis Products. All edible cannabis products manufactured by an operation shall be (as provided for in Section 26130(c) of the Business and Professions Code, and as may be amended):
1. Not designed to be appealing to children or easily confused with commercially sold candy or foods that do not contain cannabis.
 2. Produced and sold with a standardized concentration of cannabinoids not to exceed 10 milligrams tetrahydrocannabinol (THC) per serving.
 3. Delineated or scored into standardized serving sizes if the cannabis product contains more than one serving and is an edible cannabis product in solid form.
 4. Homogenized to ensure uniform disbursement of cannabinoids throughout the product.
 5. Manufactured and sold under sanitation standards established by the State Department of Public Health, in consultation with the bureau, that are similar to the standards for preparation, storage, handling, and sale of food products.
 6. Provided to customers with sufficient information to enable the informed consumption of the product, including the potential effects of the cannabis product and directions as to how to consume the cannabis product, as necessary.

7. Marked with a universal symbol, as determined by the State Department of Public Health through regulation.
- K. Signs. A permittee shall display conspicuously in the lobby of the site the following signs, so that each sign may be readily seen by persons entering the manufacturing site, and each sign must be at least 8 inches by 10 inches in size:
1. “This site is not open to the public.”
 2. “Retail sales of any goods and services is prohibited”
 3. “Minors are prohibited from entering this site.”
 4. “Smoking, ingesting, or consuming cannabis on or within 20 feet of this site is prohibited.”
- L. Restricted Access.
1. The site shall be closed to the general public.
 2. Minors are prohibited from entering the location of the site.”

F. SECTION 5.58.030(SS) IS AMENDED AS FOLLOWS (ADDITIONS INDICATED BY ***BOLD AND ITALICS***):

*“Place of worship means an establishment which has the principal purpose of religious worship (e.g., church, synagogue, mosque, temple), including accessory uses in the principal structure or in separate buildings, including school rooms, assembly rooms, kitchen, library room, one (1) family dwelling unit and day nurseries operated by and on the site of the place of worship. ***A place of worship for purposes of this chapter shall have received from the City a local entitlement, presently contained in the City’s regularly maintained files and reasonably accessible to City staff, which demonstrates the presence of the place of worship in the City (e.g., a building permit, business licenses, conditional use permit, certificate of occupancy, approval of a sign application).***”*

G. SECTION 5.58.110(I) IS DELETED IN ITS ENTIRETY AS FOLLOWS (DELETIONS INDICATED BY STRIKETHROUGH):

~~“I.— Prohibited Activities:~~

- ~~1. No marijuana manufacturing or testing shall occur at the site.~~
- ~~2. No retail sales of marijuana or marijuana products shall occur at the site.”~~

F. SECTION 5.58.100(J) IS RELABELED AS SECTION 5.58.100(I)

G. SECTION 5.58.128 (COMMUNITY BENEFIT AGREEMENT) IS ADDED TO READ IN ITS ENTIRETY AS FOLLOWS:

“Section 5.58.128 – Community Benefit Agreement

Prior to operating in the city and issuance of a certificate of occupancy, in addition to the issuance of a Commercial Marijuana Operation Permit, a distribution or manufacturing commercial marijuana operation shall apply for and enter into a community benefit agreement with the city setting forth the terms and conditions under which the commercial marijuana operation will operate that are in addition to the requirements of this chapter, possibly including, but not limited to, public outreach and education, community service, payment of fees and other charges as mutually agreed, and such other terms and conditions that will protect and promote the public health, safety, and welfare of the City and its residents. The procedures for community benefit agreements will comply with this chapter and the Perris Municipal Code.

A. Filing Requirements.

1. An application for a community benefit agreement shall be filed with the City at the same time that an application for the equivalent Commercial Marijuana Operation is filed with the City.
2. Only a qualified applicant may file an application to enter into a community benefit agreement. A qualified applicant is a person who has been issued (or is applying for) the required equivalent state license issued under Division 10 of the Business and Professions Code. The qualified applicant shall provide proof of required permits and licenses (or current application for such permits or licenses), ownership interest, and proof of the authority of the agent or representative to act for the applicant.
3. The Director shall prescribe the form for each application, notice and documents provided for or required under these regulations for the preparation and implementation of community benefit agreements.
4. The applicant shall complete and submit such an application form to the Director, along with a deposit for the estimated direct and indirect costs of processing the community benefit agreement. The applicant shall deposit any additional amounts for all costs and fees to process the community benefit agreement, including all legal fees, within fifteen (15) days of request by the Director. Upon either completion of the application process or withdrawal of the application, the City shall refund any remaining deposited amounts in excess of the costs of processing.
5. The Director shall require an applicant to submit such information and supporting data as the Director considers necessary to process the application, including but not limited to a community benefit assessment to evaluate the benefits the community benefit agreement will provide to the community.

B. Processing and Requirements.

1. The Director shall endorse on the application the date it is received. An application or related document shall not be complete until an estimated deposit for the cost of processing has been paid to the City.
2. The Director shall review the application and determine any additional requirements necessary to complete processing of the agreement. If within thirty (30) days of receiving the application the Director finds that all required information has not been submitted or the application is otherwise incomplete or inaccurate, the processing of the application and the running of any limits shall be

suspended upon written notice to the applicant and a new thirty (30) day period shall commence once the required material is received by the Director.

3. If the Director finds that the application is complete it shall be accepted for filing and the applicant so notified. After receiving the required information and the application is determined to be complete, the Director shall within sixty (60) days prepare a report and recommendation to the City Council stating whether or not the agreement as proposed or in an amended form would be consistent with policies of the City and this chapter.
4. The City Council shall review the proposed community benefit agreement and within sixty (60) days of the recommendation of the Director make a final determination whether to approve, approve with modifications or deny the proposed community benefit agreement.
5. At the sole discretion of the Director, the City Council and/or the City Manager, the time limits in this section may be extended upon written notification to the applicant.

C. Findings; Amendment; Termination.

1. The City Council may not approve the community benefit agreement unless the City Council finds that the provisions of the agreement protect and promote the public health, safety, and welfare of the City and its residents, through findings such as, but not limited to, the following:
 - a. The proposed operation will provide economic benefits to the City; and/or
 - b. The proposed operation will provide employment opportunities for City residents; and/or
 - c. The proposed operation will positively impact the community, based on factors such as, without limitation, whether and to what extent the proposed operation will offer or engage in community service, education, outreach and engagement programs.
2. Either party may propose an amendment, extension or termination of an approved community benefit agreement, and such amendment, extension or termination may only be made with the written consent of both parties.”

SECTION 3. SECTION 5.54.030 OF CHAPTER 5.54 (MEDICAL MARIJUANA DISPENSARY REGULATORY PROGRAM) OF TITLE 5 (BUSINESS TAX CERTIFICATES AND REGULATIONS) OF THE PERRIS MUNICIPAL CODE IS HEREBY AMENDED AS FOLLOWS (ADDITIONS INDICATED BY ***BOLD AND ITALICS***):

*“Place of worship means an establishment which has the principal purpose of religious worship (e.g., church, synagogue, mosque, temple), including accessory uses in the principal structure or in separate buildings, including school rooms, assembly rooms, kitchen, library room, one family dwelling unit and day nurseries operated by and on the site of the place of worship. A ***place of worship for purposes of this chapter shall have received from the City a local entitlement, presently contained in the City’s regularly****

maintained files and reasonably accessible to City staff, which demonstrates the presence of the place of worship in the City (e.g., a building permit, business licenses, conditional use permit, certificate of occupancy, approval of a sign application).”

SECTION 4. SEVERABILITY. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 5. CEQA. The City Council finds that this ordinance is not subject to the California Environmental Quality Act (“CEQA”) pursuant to both the exemption provided by Section 26055(h) of the Business and Professions Code as well as Sections 15060(c)(3) and 15061(b)(3) of the CEQA Guidelines.

SECTION 6. EFFECTIVE DATE. This ordinance shall be in full force and effect thirty (30) days after its passage.

SECTION 7. CERTIFICATION. The City Clerk shall certify to the adoption of this ordinance, and shall cause the same to be posted and codified in the manner required by law.

PASSED, APPROVED AND ADOPTED the 30th day of January, 2018,

Michael M. Vargas, Mayor

ATTEST:

Nancy Salazar, City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, **Nancy Salazar**, CITY CLERK OF THE CITY OF PERRIS, CALIFORNIA, DO HEREBY CERTIFY that the foregoing Ordinance Number 1358 was duly and regularly introduced by the City Council of the City of Perris at a regular meeting held the 9th day of January and duly and regularly adopted by the City Council of the City of Perris at a regular meeting held the 30th day of January 2018, by the following called vote:

AYES: CORONA, RABB, VARGAS
NOES: ROGERS, BURKE
ABSENT: NONE
ABSTAIN: NONE

City Clerk, Nancy Salazar