

ORDINANCE NO. __

ORDINANCE AMENDING SECTIONS 13.10.700-C, 13.10.312, 13.10.322, 13.10.332, 13.10.342, 13.10.372, 13.10.382 AND 16.01.020 OF AND ADDING SECTION 13.10.650 TO THE SANTA CRUZ COUNTY CODE, RELATING TO NON-RETAIL COMMERCIAL CANNABIS USES

The Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

The Santa Cruz County Code is hereby amended by adding the following definitions to Section 13.10.700-C, “C” definitions:

“Cannabis Cultivation (commercial)” means any activity involving the planting, growing, developing, propagating, harvesting, drying, curing, grading, trimming, packaging, or storage of one or more cannabis plants, as defined in SCCC Section 7.128.030, or any part thereof in any location, indoor or outdoor, including within a fully enclosed and secure building, subject to all applicable requirements of SCCC Chapter 7.128.

“Cannabis Distribution” means the activity of storing and/ or transporting cannabis or cannabis products between licensed entities, and any ancillary activity, such as packaging or labeling products that is conducted in association with the distribution activity, as defined in SCCC Section 7.128.130, subject to all applicable requirements of SCCC Chapter 7.128.

“Cannabis Manufacture (commercial)” means the production, preparation, propagation, or compounding of manufactured cannabis products either directly or indirectly, or by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, at a fixed location that may also package or repack cannabis in conjunction with cannabis manufacture activity, as defined in SCCC Section 7.128.030, subject to all applicable requirements of SCCC Chapter 7.128.

SECTION II

Section 13.10.312(B) of the Santa Cruz County Code shall be amended to add the following to the agricultural use chart:

USE	CA	A	AP
Cannabis Cultivation (commercial) (subject to Section 13.10.650)^F			___
Indoor cultivation (existing legal structure, other than greenhouse)	3	5	___

USE	CA	A	AP
New indoor cultivation structure (other than greenhouse)			___
Outside Coastal Zone and 1-mile buffer			
0-2,000 square feet	3	5	___
> 2,000 square feet	5	5	___
Inside Coastal Zone + 1 mile	___	___	___
Greenhouse (existing legal), conversion, replacement, reconstruction, or structural alteration			
0-20,000 square feet	3	5	___
> 20,000 square feet	5	5	___
Greenhouse (new)			
Outside Coastal Zone and 1-mile buffer			
0-20,000 square feet	3	5	___
> 20,000 square feet	5	___	___
Inside Coastal Zone + 1 mile	___	___	___
Outdoor cultivation (or existing legal hoop house)			
Outside Coastal Zone and 1-mile buffer	3	5	___
Inside Coastal Zone + 1 mile	4	5	___
Hoop house (new)			
Outside Coastal Zone and 1-mile buffer			
0-2,000 square feet	3	5	___
> 2,000 square feet	3	5	___
Inside Coastal Zone + 1 mile	___	___	___
Water tank (accessory to cannabis use)	3	3	___

USE	CA	A	AP
Cannabis Manufacturing (commercial) (subject to 13.10.650)†			
Classes 1-2*****			
Outside Coastal Zone and 1-mile buffer, new or existing legal structure			
0-2000 square feet			
Over 5 acre parcel	3	3/5 [±]	—
2.5-5 acre parcel	3	5	—
Less than 2.5 acre parcel	3	5	—
> 2000 square feet			
5 acre or greater parcel	4	4/5 [±]	—
Less than 5 acre parcel	4	5	—
Inside Coastal Zone + 1 mile, existing legal structure			
0-2000 square feet	3	3/5 [±]	—
> 2000 square feet	5	5	—
Class 3			
Outside Coastal Zone and 1-mile buffer, new or existing legal structure			
0-2000 square feet	4	—	—
Inside Coastal Zone +1 mile, existing legal structure			
0-2000 square feet	4	—	—
> 2000 square feet	5	—	—

USE	CA	A	AP
Cannabis Distribution (subject to 13.10.650)[‡]			
Class 1 ^{*****}			
Outside Coastal Zone and 1-mile buffer, new or existing legal structure			
0-2000 square feet	3	3	___
> 2000 square feet	5	5	___
Inside Coastal Zone + 1-mile, existing legal structure			
0-2000 square feet	3	3	___
> 2000 square feet	5	5	___
Class 2, existing legal structure			
Outside Coastal Zone and 1-mile buffer	3	___	___
Inside Coastal Zone + 1-mile	5		

[‡] With a license appropriate for zoning classification pursuant to SCCC Chapter 7.128. No new non-retail commercial cannabis structures may be permitted in the Coastal Zone and 1-mile buffer.

[‡] Level 5 approval required if manufacturing activity involves cannabis imported from offsite or employees (not including the owner).

^{*****} Cannabis manufacturing and distribution uses must be ancillary to on-site commercial cannabis cultivation in the A zone district.

SECTION III

Section 13.10.322 (B) of the Santa Cruz County Code shall be amended to add the following to the residential use chart:

USE	RA	RR	R-1	RB	RM
Cannabis Cultivation (commercial) (subject to 13.10.650)[‡]					
Indoor Cultivation (existing legal structure, other than greenhouse)					
Outside Coastal Zone and 1 mile buffer					
0-500 square feet	5	___	___	___	___
> 500 square feet	5	___	___	___	___
Inside Coastal Zone +1 mile	___	___	___	___	___

USE	RA	RR	R-1	RB	RM
New indoor cultivation structure (other than greenhouse)					
Outside Coastal Zone and 1-mile buffer					
< 500 square feet	5	—	—	—	—
500-2,000 square feet	5	—	—	—	—
> 2,000 square feet	5	—	—	—	—
Inside Coastal Zone + 1 mile	—	—	—	—	—
Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration					
USE	RA	RR	R-1	RB	RM
Outside Coastal Zone and 1 mile buffer					
0-500 square feet	5	—	—	—	—
> 500 square feet	5	—	—	—	—
Inside Coastal Zone +1 mile	—	—	—	—	—
Greenhouse (new)					
Outside Coastal Zone and 1-mile buffer					
< 500 square feet	5	—	—	—	—
500-2,000 square feet	5	—	—	—	—
> 2,000 square feet	5	—	—	—	—
Inside Coastal Zone + 1 mile	—	—	—	—	—
Outdoor cultivation (or existing hoop house)					
Outside Coastal Zone and 1 mile buffer					
0-500 square feet	5	—	—	—	—
> 500 square feet	5	—	—	—	—
Inside Coastal Zone +1 mile	—	—	—	—	—
Hoop house (new)					
Outside Coastal Zone and 1-mile buffer					
< 500 square feet	5	—	—	—	—
500-2,000 square feet	5	—	—	—	—

USE	RA	RR	R-1	RB	RM
> 2,000 square feet	5	—	—	—	—
Inside Coastal Zone +1 mile	—	—	—	—	—
Water tank (accessory to cultivation)	3	—	—	—	—

USE	RA	RR	R-1	RB	RM
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Cannabis Manufacturing (commercial) (subject to 13.10.650), ancillary to on-site commercial cannabis cultivation[‡]

Classes 1-2

Outside Coastal Zone and 1-mile buffer, new or existing legal structure

< 2000 square feet

0 employees (not including owner) 3/5** — — — —

1-5 employees (not including owner) 5 — — — —

2000 or greater square feet

0 employees (not including owner) 5 — — — —

1-5 employees (not including owner) 5 — — — —

Inside Coastal Zone + 1 mile — — — — —

Class 3 — — — — —

USE	RA	RR	R-1	RB	RM
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Cannabis Distribution (subject to 13.10.650), ancillary to on-site commercial cannabis cultivation[‡]

Class 1

Outside Coastal zone and 1-mile buffer, new or existing legal structure

0-2000 square feet 3 — — — —

> 2000 square feet 5 — — — —

Inside Coastal zone + 1 mile — — — — —

Class 2 — — — — —

[‡]With a license appropriate for zoning classification pursuant to SCCC Chapter 7.128. No new non-retail commercial cannabis structures may be permitted in the Coastal Zone and 1-mile buffer.

**Level 5 approval required if manufacturing activity involves cannabis imported from offsite.

SECTION IV

Section 13.10.332(B) of the Santa Cruz County Code shall be amended to add the following to the commercial use chart:

USE	PA	VA	CT	C-1	C-2	C-4
Cannabis Cultivation (commercial) (subject to 13.10.650)^F						
Indoor cultivation (existing legal structure other than greenhouse)						
< 5,000 square feet	—	—	—	—	—	5
5,000 to 20,000 square feet	—	—	—	—	—	5
> 20,000 square feet	—	—	—	—	—	6
New indoor cultivation structure (other than greenhouse)						
Outside Coastal Zone and 1-mile buffer						
< 5,000 square feet	—	—	—	—	—	5
5,000 to 20,000 square feet	—	—	—	—	—	5
> 20,000 square feet	—	—	—	—	—	6
Inside Coastal Zone + 1 mile	—	—	—	—	—	—
Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration						
< 5,000 square feet	—	—	—	—	—	5
5,000 to 20,000 square feet	—	—	—	—	—	5
> 20,000 square feet	—	—	—	—	—	6
Greenhouse (new)						
Outside Coastal Zone and 1-mile buffer						
< 5,000 square feet	—	—	—	—	—	5
5,000 to 20,000 square feet	—	—	—	—	—	5
> 20,000 square feet	—	—	—	—	—	6
Inside Coastal Zone + 1 mile	—	—	—	—	—	—

USE	PA	VA	CT	C-1	C-2	C-4
Water tank (accessory to cannabis use)	—	—	—	—	—	3
Outdoor cultivation	—	—	—	—	—	—
Hoop house cultivation	—	—	—	—	—	—

USE	PA	VA	CT	C-1	C-2	C-4
Cannabis Manufacturing (commercial) (subject to 13.10.650)^f						

Classes 1-2

Outside Coastal Zone and 1-mile buffer, new or existing legal structure

< 2000 square feet	—	—	—	—	4**	4
2000-20,000 square feet	—	—	—	—	5**	5
> 20,000 square feet	—	—	—	—	6**	6

Inside Coastal Zone + 1 mile, existing legal structure

< 2000 square feet	—	—	—	—	4**	4
2000-20,000 square feet	—	—	—	—	5**	5
> 20,000 square feet	—	—	—	—	6**	6

Class 3

Outside Coastal Zone and 1-mile buffer, new or existing legal structure

< 2000 square feet	—	—	—	—	—	4
2000-20,000 square feet	—	—	—	—	—	5
> 20,000 square feet	—	—	—	—	—	6

Inside Coastal Zone + 1 mile, existing legal structure

< 2000 square feet	—	—	—	—	—	4
2000-20,000 square feet	—	—	—	—	—	5
> 20,000 square feet	—	—	—	—	—	6

USE **PA** **VA** **CT** **C-1** **C-2** **C-4**
Cannabis Distribution (subject to 13.10.650)[‡]

Class 1

Outside Coastal Zone and 1-mile buffer

New structure

0-2000 square feet ___ ___ ___ ___ ___ 3

> 2000 square feet ___ ___ ___ ___ ___ 5

Existing legal structure ___ ___ ___ ___ 3** 3

Inside Coastal Zone + 1 mile, existing legal structure ___ ___ ___ ___ 3** 3

Class 2

Outside Coastal Zone and 1-mile buffer, new or existing legal structure ___ ___ ___ ___ 4/5/6* ** 4/5/6*

Inside Coastal Zone + 1 mile, existing legal structure ___ ___ ___ ___ 4/5/6* ** 4/5/6*

[‡] With a license appropriate for zoning classification pursuant to SCCC Chapter 7.128. No new non-retail commercial cannabis structures may be permitted in the Coastal Zone and 1-mile buffer.

**Cannabis distribution activities may occur only in conjunction with a licensed dispensary on the parcel. Cannabis manufacturing activities may occur only in conjunction with a licensed dispensary on the parcel, unless an exception is granted pursuant to SCCC 13.10.650(D)(2)(f).

SECTION V

Section 13.10.342 (B) of the Santa Cruz County Code shall be amended to add the following to the industrial use chart:

USE **M-1** **M-2** **M-3**

Cannabis Cultivation (subject to 13.10.650)[‡]

Indoor cultivation (existing legal structure, other than greenhouse)

0-10,000 square feet 5 5 5

> 10,000 square feet 5 5 5

New indoor cultivation structure (other than greenhouse)

USE	M-1	M-2	M-3
Outside Coastal Zone and 1 mile buffer			
Up to 2,000 square feet	5	5	5
2,000 to 20,000 square feet	5	5	5
> 20,000 square feet	6	6	6
Inside Coastal Zone + 1 mile	—	—	—
Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration			
0- 10,000 square feet	5	5	5
> 10,000 square feet	5	5	5
Greenhouse (new)			
Outside Coastal Zone and 1 mile buffer			
< 2,000 square feet	5	5	5
2,000- 20,000 square feet	5	5	5
> 20,000 square feet	6	6	6
Inside Coastal Zone + 1 mile	—	—	—
Water tank (accessory to cannabis use)	3	3	3
Outdoor cultivation (or new or existing hoop house)	—	—	5**
USE	M-1	M-2	M-3
Cannabis Manufacturing (subject to 13.10.650)^F			
Classes 1-3			
Outside Coastal Zone and 1-mile buffer, new or existing legal structure			
< 2000 square feet	4	4	3
2000-20,000 square feet	5	5	3
Over 20,000 square feet	6	6	3
Inside Coastal Zone and 1-mile buffer, existing legal structure			
< 2000 square feet	4	4	4

USE	M-1	M-2	M-3
2000-20,000 square feet	5	5	4
Over 20,000 square feet	6	6	5

USE	M-1	M-2	M-3
Cannabis Distribution (subject to 13.10.650)[‡]			
Class 1			
Outside Coastal Zone and 1-mile buffer			
Existing legal structure	3	3	3
New structure	4/5/6*	4/5/6*	4/5/6*
Inside Coastal Zone and 1-mile Buffer			
Existing legal structure	4/5/6*	4/5/6*	4/5/6*
New structure	—	—	—
Class 2			
Outside Coastal Zone and 1-mile buffer, new or existing legal structure			
	4/5/6*	4/5/6*	4/5/6*
Inside Coastal Zone and 1-mile buffer, existing legal structure			
	4/5/6*	4/5/6*	4/5/6*

[‡]With a license appropriate for zoning classification pursuant to SCCC Chapter 7.128. No new non-retail commercial cannabis structures may be permitted in the Coastal Zone and 1-mile buffer.

**Outdoor or hoop house cultivation may be permitted only in conjunction with adoption or amendment of a reclamation plan.

SECTION VI

Section 13.10.372 of the Santa Cruz County Code shall be amended to add the following to the Timber Production (TP) use chart:

USE	TP
Cannabis Cultivation (commercial) (subject to 13.10.650)[‡]	
Indoor cultivation (existing legal structure, other than greenhouse)	
Outside Coastal Zone and 1 mile buffer	5

USE	TP
Inside Coastal Zone + 1 mile	—
New indoor cultivation structure (not greenhouse)	
Outside Coastal Zone and 1 mile buffer	5
Inside Coastal Zone + 1 mile	—
Greenhouse (existing legal), conversion, replacement, reconstruction or structural alteration	
Outside Coastal Zone and 1 mile buffer	5
Inside Coastal Zone +1 mile	—
Greenhouse (new)	
Outside Coastal Zone and 1 mile buffer	5
Inside Coastal Zone + 1 mile	—
Outdoor cultivation (or existing hoop house)	
Outside Coastal Zone and 1 mile buffer	
0-500 square feet	5
> 500 square feet	5
Inside Coastal Zone +1 mile	—
Hoop house (new)	
Outside Coastal Zone and 1-mile buffer	
0-2,000 square feet	5
> 2,000 square feet	5
Inside Coastal Zone + 1 mile	—
Water tank (accessory to cannabis use)	3
USE	TP
Cannabis Manufacturing (subject to 13.10.650), ancillary to on-site commercial cannabis cultivation[†]	
Classes 1-2	
Outside Coastal Zone and 1 mile buffer, new or existing legal structure	3/5***
Inside Coastal Zone + 1 mile	—
Class 3	—

USE	TP
Cannabis Distribution (subject to 13.10.650)[‡]	
Class 1	
Outside Coastal Zone and 1 mile buffer	
Existing legal structure	3
New structure	5
Inside Coastal Zone + 1 mile	
	—
Class 2	
	—

[‡]With a license appropriate for zoning classification pursuant to SCCC Chapter 7.128. Non-retail commercial cannabis uses may be permitted in the TP zoning district only on sites with a pre-existing legal commercial use. No new non-retail commercial cannabis structures may be permitted in the Coastal Zone and 1-mile buffer.

***Level 5 approval required if manufacturing activity involves cannabis imported from offsite.

SECTION VII

Section 13.10.650 is hereby added to read, as follows:

13.10.650 Non-Retail Commercial Cannabis Uses.

All non-retail commercial cannabis uses, including commercial cannabis cultivation, manufacturing and distribution, shall be subject to the following limitations:

(A) License. Non-retail commercial cannabis uses shall not be permitted on any parcel within the County without 1) a currently valid local license required by SCCC Chapter 7.128; and 2) a currently valid State license required under California law. Except as expressly defined in this Section 13.10.650, the definitions in Section 7.128.030 shall apply to the terms used herein.

(B) General.

(1) Procedures. Non-retail commercial cannabis uses and development shall be subject to the procedures applicable under SCCC Chapter 18.10 at the approval level established in the appropriate use chart for the zoning district. For purposes of determining the approval level applicable to cannabis uses and development, the square footage of a structure, greenhouse, hoop house or growing area shall be cumulative as to the parcel, cultivation site or facility, as applicable.

(2) Development. Inside the Coastal Zone, and within one mile beyond the Coastal Zone, no new non-retail commercial cannabis structures may be permitted. Except for legal structures existing on the effective date of this Section 13.10.650, use of any structure for non-

retail commercial cannabis use shall be considered new development. All non-retail commercial cannabis uses and development, including structures, greenhouses, hoop houses, and related parking lots and access roads, proposed for non-retail commercial cannabis uses in zoning districts in which such uses may be approved shall be consistent with the General Plan and shall require all other applicable approvals (including but not limited to grading and building permits and coastal development permits for development as defined in SCCC Chapter 13.20) and shall be subject to all other applicable requirements of this Code and other applicable laws and regulations.

(3) Best Management and Operational Practices Plan. No use or development permit for non-retail commercial cannabis business activities may be issued before the applicant has submitted, and both the Planning Department and the Cannabis Licensing Official have approved, a completed Best Management and Operational Practices (“BMOP”) Plan on the form(s) created by the Cannabis Licensing Official for that purpose. The purpose of the BMOP Plan is to ensure that all cannabis business activities conserve natural resources and have as minimal an impact as possible on the surrounding environment. The BMOP Plan shall address siting criteria, site design, construction requirements, operational requirements, and additional miscellaneous issues in order to meet this purpose.

(4) Environmental Protection. All non-retail commercial cannabis use shall comply with the provisions of all applicable environmental laws and regulations, including County environmental resource protection ordinances (SCCC Title 16) and all applicable requirements of Division 13 (commencing with Section 21000) of the Public Resources Code (the California Environmental Quality Act, and State CEQA Guidelines, process). No non-retail commercial cannabis use or development may be permitted except upon a finding that the approval will not result in any significant unmitigated impacts to water supply, biotic resources or other sensitive environmental resources.

(5) No Cannabis Activities allowed within Sandhills Habitat or Salamander Protection Zone. The County shall review whether a cultivation or manufacturing site is located within the Sandhills habitat or in oak woodland within ¼ mile of a known or suspected salamander breeding pond during its biological resources assessment process. The County shall not issue a license for any cannabis activity proposed within the Sandhills or SCLTS habitats, with the exception of those indoor activities that do not require any soil disturbance.

(6) Land Clearing/ Grading. A land clearing permit must be obtained for any clearing in sensitive habitat as defined in SCCC Title 16.32 and for clearing exceeding 0.25 acre in any other area. In addition to meeting standards and regulations found in SCCC Title 16 and any other applicable regulation in Title 13:

- (a) Retained cuts and fills shall not exceed 10 feet.
- (b) Non-retained cuts and fills shall not exceed five feet.

(c) Outdoor cultivation is not allowed on slopes steeper than 20 percent.

(d) No grading is allowed on slopes greater than 20 percent, where slope gradient is measured as natural grade, or where the grade has been modified through an approved grading permit.

(e) Remedial grading may be necessary in order to satisfy the requirements of this chapter. All remedial grading must be shown on the final grading plan. Remedial grading may include overexcavation and recompaction of on-site soils, buttress fills, or other grading activities deemed necessary to bring unpermitted grading into compliance with County Code.

(f) Excessive or unnecessary grading may be grounds for grading application denial.

Exceptions to these rules may be granted if exceeding the limits above will result in less environmental damage than all other design alternatives, or if no other alternative exists, as determined by Environmental Planning staff.

(7) Outside Lighting. The application for a non-retail commercial cannabis use or development permit shall include plans for all outdoor lighting for review and approval. All outdoor lighting shall have the illumination directed downward or shielded so that glare is not projected onto adjacent properties or skyward.

(8) Parking. The application for a non-retail commercial cannabis use or development permit shall include a parking plan and documentation of parking needs for review and approval. The plan shall provide adequate off-street parking for all employees, and allow for loading and unloading.

(9) Site and Building Design. All new development shall be clustered or otherwise sited to reduce impacts. New structural development shall ensure the proposed building has sufficient architectural design to be compatible with the architectural character and scale of the surrounding area.

(a) In the CA zone district, any new development and conversion of any soil-dependent greenhouse for non-retail commercial cannabis use shall be subject to the findings in SCCC Section 13.10.314(A).

(b) In the TP zone district, permits authorizing non-retail commercial cannabis activities may be granted only i) on parcels with a pre-existing legal commercial use (regardless of when established) where cannabis business activities will take place in previously-cleared areas; or b) on parcels where sufficient evidence exists that cannabis was being cultivated as of January 2013. New development and site disturbance associated with cannabis business activities and related infrastructure on these parcels are limited to: i) no more than 5500 square feet of site disturbance; and ii) the removal of no more than five trees with an individual diameter breast height (d.b.h.) between 12 and 40 inches. Moreover, a timberland conversion

permit must be obtained as required by the California Division of Forestry before any trees are removed, and removal of trees with a d.b.h. of greater than 40 inches is not permitted. In addition, any new structural development and parking facilities on these parcels shall be clustered within 200 feet of other buildings on the parcel in order to facilitate timber production and harvesting and to preserve the rural character of the land, unless a different option can be demonstrated to have fewer environmental impacts.

(10) Setbacks. All development shall be set back from the property line the minimum distance required by the zone district, or as otherwise required in this Section 13.10.650, and may be required as a condition of a use or development permit to be set back a specified distance from the nearest off-site residence, if applicable, depending on the individual circumstances of the application.

(11) Landscaping and Screening. All new structural development shall be landscaped or located in the natural setting to soften the geometric form and to blend it with the rural character of the surrounding area. Parking lots and outdoor work and storage areas shall be screened from view from adjacent properties and roadways by vegetative plantings or other natural features and screening. Plantings shall be completed before final building inspection is approved.

(12) Outside Operations. Applications for a non-retail commercial cannabis use or development permit shall include information to describe the nature of any proposed outside operations. All outside operations shall be screened to minimize visibility from adjacent residences and roads.

(13) Noise Control. The application for a non-retail commercial cannabis use or development permit shall include information regarding the anticipated noise levels of the cannabis operation. Noise shall be limited to be consistent with the requirements of the General Plan Noise Element.

(14) Operating Hours.

(a) The application for a non-retail commercial cannabis use or development permit shall include information regarding the proposed operating hours of the facility. The operating hours shall be established and approved as a condition of the approval.

(b) Outside operating hours shall be limited to 7:00 a.m. to 7:00 p.m. These limits may be exceeded by obtaining approval of the Planning Commission, and limits shall be set by condition on the use approval based on the individual merits of the location and surroundings.

(15) Access. Access shall meet County road standards for the proposed use, including accommodation of delivery vehicles and emergency vehicles.

(16) Fire Protection. All regulations of the local fire district or County Fire Marshal shall be met to ensure adequate access, water availability and other conditions for fire protection.

(17) Water.

(a) All applications for any non-retail commercial cannabis use or development permit shall be accompanied by a letter from the water district serving the area stating that adequate capacity is available to serve the use, or the applicant shall demonstrate it has an approved on-site source or other adequate alternative source of water.

(b) All water used for cultivation purposes must be obtained from an approved on-site source, except for water used in the case of emergencies, and water obtained from a Department of Public Health, Food and Drug Branch licensed purveyor that is used solely for the initial filling of water tanks used to meet on-site water storage requirements for firefighting purposes. Cannabis shall not be cultivated with the use of a shared water source or water extraction equipment without the express permission of all of the persons holding an ownership interest in that water source or water extraction equipment. The applicant shall submit an identification of water supply to be used for cultivation and documentation demonstrating that the source is in compliance with all statutes, regulations, and requirements of the California State Water Resources Control Board, Division of Water Rights.

(c) If a new structure is proposed to be constructed, water saving devices shall be incorporated into the design, and shall be indicated on building and landscaping plans for review and approval.

(18) Sewer/Septic. A letter from the sewer district serving the parcel shall be submitted with the application stating that adequate capacity is available to serve the use, or the applicant shall otherwise demonstrate compliance with the requirements of SCCC Chapter 7.38 and adequacy of any septic system serving the site.

(19) Odors. Applications for a commercial cannabis use or development permit for outdoor cultivation must include a written statement demonstrating that the applicant has, to the maximum extent feasible given the topography of the site, taken neighboring sensitive receptors into account in site selection.

(20) Indemnity. Each use or development permit issued pursuant to this Section 13.10.650 shall have as a condition of the permit a requirement that the applicant defend, indemnify and hold harmless the County and its officers, agents, and employees from and against any claim (including attorney's fees) against the County, its officers, employees or agents to attack, set aside, void or annul the approval of the permit or any subsequent amendment of the permit.

(C) Commercial Cannabis Cultivation.

(1) Zoning. Subject to the limitations set forth in subsections (2), (3) and (4) below, commercial cannabis cultivation uses may be permitted in the following zones: CA (Commercial Agriculture), A (Agriculture), RA (Residential Agriculture), C-4 (Commercial Services), M (Industrial), TP (Timber Production), and SU (Special Use) where the General Plan designation of the parcel is AG (Agriculture) or where the parcel has a General Plan designation of I (Heavy Industry) or Q (Quarry).

(2) Minimum Parcel Size.

(a) The minimum parcel size for commercial cannabis cultivation in the CA zone is one acre.

(b) The minimum parcel size for commercial cannabis cultivation in the A zone is ten acres.

(c) The minimum parcel size for commercial cannabis cultivation in the RA zone is five acres.

(d) The minimum parcel size for commercial cannabis cultivation in the TP zone is five acres.

(e) The minimum parcel size for commercial cannabis cultivation in the SU zone is five acres for parcels with a General Plan designation of AG; there is no minimum parcel size for parcels in the SU zone with a General Plan designation of I or Q.

Exceptions to the minimum parcel size may be allowed in any zone for up to 10% of the required minimum for that zone where a finding is made that cannabis cultivation will not have substantially greater impact on adjacent parcels or surrounding uses due to its decreased size.

(3) Restrictions.

(a) Commercial cannabis cultivation shall not be permitted inside the Coastal Zone or within one mile beyond the Coastal Zone, except in the CA, A, C-4 and M zones, and on SU parcels with a General Plan designation of Q (Quarry).

(b) Commercial cannabis cultivation shall not be permitted within the Urban Services Line or the Rural Services Line, except in C-4 and M zones and in CA and A zones located inside the Coastal Zone and within one mile beyond the Coastal Zone.

(c) Inside the Coastal Zone, and within one mile beyond the Coastal Zone, commercial cannabis cultivation may only be permitted in CA and A zones outdoors or in legal structures existing on the effective date of the ordinance adopting this Section 13.10.650. No new structures, including hoop houses (defined as agricultural shade structures exempt from building permits under SCCC Section 12.10.315) shall be allowed.

(d) No outdoor (including hoop house) commercial cannabis cultivation shall be permitted in zones C-4 and M.

(i) Exception: In the M-3 zoning district and in the SU zoning district on parcels with a Q (Quarry) General Plan designation, where quarry operations have ceased, outdoor or hoop house cultivation may be permitted in conjunction with the adoption or amendment of a reclamation plan.

(e) Commercial cannabis cultivation may be permitted in SU zones only if the General Plan designation of the parcel is AG (Agriculture) or where the parcel has a General Plan designation of I (Heavy Industry) or Q (Quarry), subject to the restrictions of SCCC 13.10.382.

(f) Indoor cultivation of immature plants (starts and seedlings) may only take place within legal structures existing as of the effective date of the ordinance adopting this Section 13.10.650, or shall be accommodated in a new permitted structure without requiring the addition of any square or cubic footage (such as by vertical stacking or shelving).

(4) Setbacks.

(a) Commercial cannabis cultivation shall not be allowed within six hundred (600) feet of (i) a municipal boundary; (ii) a school, a day care center, or youth center; (iii) a library; (iv) an alcohol or drug treatment facility; or (v) any park other than a State Park located within the urban area defined by the Urban Services Line.

(b) Commercial cannabis cultivation shall not be allowed within 0.25 miles of a school if pesticides may be applied using aircraft, air blast sprayers, sprinklers, dust, powder, or fumigants.

(c) Commercial cannabis cultivation shall not be allowed within two hundred (200) feet of any habitable structure on a neighboring parcel.

(d) Commercial cannabis cultivation shall not be allowed within three hundred (300) feet of a State Park located within the urban area defined by the Urban Services Line.

(e) On parcels ranging in size from one to five acres, commercial cannabis cultivation shall not be allowed within one hundred (100) feet of a public right-of-way. This setback does not apply when the cultivation is entirely indoors.

(f) On parcels ranging in size from five to ten acres, commercial cannabis cultivation shall not be allowed within two hundred (200) feet of a public right-of-way. This setback does not apply when the cultivation is entirely indoors.

(g) On parcels over ten acres in size, commercial cannabis cultivation shall not be allowed within three hundred (300) feet of a public right-of-way. This setback does not apply when the cultivation is entirely indoors.

(h) Commercial cannabis cultivation shall not be allowed within one hundred (100) feet of a perennial stream.

(i) Commercial cannabis cultivation shall not be allowed within fifty (50) feet of an intermittent stream or within the setbacks required by SCCC Chapters 16.30 (riparian corridor and wetlands protection) or 16.32 (sensitive habitats

(j) Commercial cannabis cultivation shall not be allowed within fifty (50) feet of an ephemeral stream or within the setbacks required by SCCC Chapters 16.30 (riparian corridor and wetlands protection) or 16.32 (sensitive habitats).

(k) Commercial cannabis cultivation shall not be allowed within one hundred (100) feet of the high water mark of a lake, estuary, lagoon, or natural body of standing water.

(l) For purposes of this section, “school” means any licensed preschool or any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private residences.

(m) For purposes of this section, “park” means any playground, hiking or riding trail, recreational area, beach, community center or building, historic structure or facility, conservation land, biological mitigation area, or open space owned, managed or controlled by any public entity or conservation entity such as a non-profit land trust.

(n) The distance specified in this sub-section for municipal boundaries, schools, day care centers, youth centers, libraries, and drug treatment facilities shall be the horizontal distance measured in a straight line from the municipal boundary, school, library, park, and drug treatment facility to the closest property line of the parcel on which cannabis is being cultivated, without regard to intervening structures.

(o) The distance specified in this sub-section for public rights-of-way, streams, and habitable structures shall be the horizontal distance measured in a straight line from the public right-of-way, streams and water areas, or habitable structure and the growing area on the cultivation site, without regard to intervening structures.

(p) Exceptions. Excluding setbacks required by SCCC Chapters 16.30 or 16.32, exceptions to the rules set forth herein for setbacks may be allowed subject to a Level 5 approval process with a finding, upon recommendation of the Licensing Official, that the exception is appropriate because physical conditions specific to the cultivation site (such as topography or intervening structures or vegetation) reduce the setback distance necessary to protect the public interest. Notwithstanding the foregoing, no exception shall be granted

allowing a setback of less than one hundred (100) feet from a habitable structure of a neighboring parcel.

(D) Commercial Cannabis Manufacturing.

(1) Zoning. Subject to the limitations set forth in subsections (2) and (3) below, commercial cannabis manufacturing uses may be permitted, as follows:

(a) Class 1 and Class 2 commercial cannabis manufacturing uses are limited to the following zoning districts: CA (Commercial Agriculture), A (Agriculture), RA (Residential Agricultural), TP (Timber Production), C-2 (Community Commercial), C-4 (Commercial Services), M-1 (Light Industrial), M-2 (Heavy Industrial), M-3 (Mineral Extraction Industrial), and SU (Special Use) where the General Plan designation of the parcel is AG (Agricultural) or where the parcel has a General Plan designation of I (Industrial) or Q (Quarry).

(b) Class 3 commercial cannabis manufacturing uses are limited to the following zoning districts: CA (Commercial Agriculture), C-4 (Commercial Services), M-1 (Light Industrial), M-2 (Heavy Industrial), and M-3 (Mineral Extraction Industrial), and SU on parcels with a General Plan designation of Q (Quarry).

(2) Restrictions.

(a) In the geographic area designated as the Coastal Zone, and within one mile beyond the Coastal Zone, commercial cannabis manufacturing may only take place within legal structures existing on the effective date of the ordinance adopting this Section 13.10.650.

(b) All Class 3 commercial cannabis manufacturing uses must be located within a 10 minute response time of a fire station. If unable to meet this requirement, a fire clearance shall be required to verify that the facility can safely operate while protecting public health, safety and welfare. No facility shall be established beyond a 20-minute fire response time from the nearest responsible fire station in rural areas.

(c) Cannabis manufacture facilities shall be inaccessible by the general public and should be fully enclosed if feasible.

i. Exception: An open air extraction area may be established in the CA and A zone districts at a fixed, permanent, and fully secured location where parcel size is at least 20 acres and no residence receptors are located in proximity to the operation (as determined by the Monterey Bay Unified Air Pollution Control District).

(d) Cannabis manufacturing uses within the A, RA and TP zone districts and on parcels within SU zone districts where the General Plan designation is AG (Agriculture) may be permitted only on a parcel that contains a detached single-family dwelling. No manufacturing activities may be undertaken in a dwelling, whether as a home occupation pursuant to SCCC Section 13.10.613 or otherwise, but activities in a legal accessory structure may be permitted subject to all applicable restrictions. All manufacturing uses in the A and RA zone districts and

on parcels within SU zone districts where the General Plan designation is AG (Agriculture) that include employees (excepting the owner of the parcel) shall require a Level 5 approval.

(e) Cannabis manufacturing uses in the A, RA and TP zone districts and on parcels within SU zone districts where the General Plan designation is AG (Agriculture) shall be ancillary to licensed commercial cannabis cultivation on the parcel and import of cannabis material for onsite manufacturing may be permitted only with a Level 5 approval, and only as long as manufacturing using imported material does not require new structural development or any additional employees.

(f) In the C-2 zone district, commercial cannabis manufacturing is only allowed in conjunction with a licensed dispensary, unless a finding is made, upon recommendation of the Licensing Official, that a proposed stand-alone manufacturing facility within the C-2 zone is consistent with the General Plan and compatible with and will not adversely affect surrounding uses, based on consideration of site-specific conditions

(3) Setbacks. No cannabis manufacturing facility may be located within 600 feet from (i) a school, (ii) a day care center, or (iii) a youth center. The distance specified in this subsection shall be the horizontal distance measured in a straight line from the property line of the school, day care or youth center to the closest property line of the lot containing the manufacturing facility under review, without regard to intervening structures.

(a) For purposes of this section, “school” means any licensed preschool or any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private residences.

(b) Exceptions. Exceptions to the rules set forth herein for setbacks may be allowed subject to a Level 4 approval with a finding, upon recommendation of the Licensing Official, that the exception is appropriate because physical conditions specific to the manufacturing facility (such as topography or intervening vegetation or structures) reduce the setback distance necessary to protect the public interest

(E) Cannabis Distribution.

(1) Zoning. Subject to the restrictions set forth in subsections (2) and (3) below, commercial cannabis distribution uses may be permitted, as follows:

(a) Cannabis distribution pursuant to a Class 1 license associated with commercial cannabis cultivation or manufacturing may be permitted in any zoning district in which that use (cultivation or manufacturing, as applicable) is authorized.

(b) Cannabis distribution pursuant to a Class 2 license may be permitted only in the C-2 (Community Commercial), C-4 (Commercial Services), M-1 (Light Industrial), M-2 (Heavy Industrial), M-3 (Mineral Extraction Industrial), CA (Commercial Agriculture) zoning districts, the SU (Special Use) zoning district in accordance with SCCC Section 13.10.382, and

in the CA zone district within legal structures existing on the effective date of the ordinance adopting this Section 13.10.650.

(2) Restrictions.

(a) In the geographic area designated as the Coastal Zone, and within one mile beyond the Coastal Zone, commercial cannabis distribution may only take place within legal structures existing on the effective date of the ordinance adopting this Section 13.10.650.

(b) A distribution facility shall be inaccessible by the general public and should be fully enclosed if feasible.

(c) Commercial cannabis distribution uses in the RA and A zone districts shall be ancillary to licensed commercial cannabis cultivation on the parcel.

(d) In the C-2 zone district, commercial cannabis distribution is only allowed in conjunction with a licensed dispensary, or licensed commercial cannabis manufacturing.

(3) Setbacks.

(a) No license may be issued to operate a cannabis distribution facility located within 600 feet from (i) a school, (ii) a day care center, or (iii) a youth center. The distance specified in this subsection shall be the horizontal distance measured in a straight line from the property line of the school to the closest property line of the lot containing the manufacturing facility under review, without regard to intervening structures.

(b) For purposes of this section, “School” means any licensed preschool or any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private residences.

(c) Exceptions to the rules set forth herein for setbacks may be allowed subject to a Level 4 approval with a finding, upon recommendation of the Licensing Official, that the exception is appropriate because physical conditions specific to the distribution facility (such as topography or intervening vegetation or structures) reduce the setback distance necessary to protect the public interest.

SECTION VIII

Section 13.10.382 of the Santa Cruz County Code shall be amended to add the following new subsection (C), and subsection (D) shall be renumbered accordingly:

(C) Non-Retail Commercial Cannabis Uses.

(1) Commercial cannabis cultivation uses may be permitted within the Special Use (SU) District, subject to all applicable requirements of SCCC Section 13.10.650 and Chapter 7.128, where the General Plan designation is AG (Agriculture) or where the parcel has a General Plan designation of I (Heavy Industry) or Q (Quarry). Where the General Plan designation is AG, cultivation uses may be permitted subject to the limitations applicable under SCCC Sections 13.10.312(B) and 13.10.650 in the RA zone district. Where the General Plan designation is I or Q, cultivation uses may be permitted subject to the limitations applicable under SCCC Sections 13.10.342(B) and 13.10.650 in the M-3 zoning district.

(2) Commercial cannabis manufacturing uses may be permitted within the Special Use (SU) District, subject to all applicable requirements of SCCC Section 13.10.650 and Chapter 7.128, where the General Plan designation of the parcel is AG (Agricultural) or where the parcel has a General Plan designation of I (Industrial) or Q (Quarry). Where the General Plan designation is AG, manufacturing uses may be permitted subject to the limitations applicable under SCCC Sections 13.10.312(B) and 13.10.650 in the RA zone district. Where the General Plan designation is I or Q, manufacturing uses may be permitted subject to the limitations applicable under SCCC Sections 13.10.342(B) and 13.10.650 in the M-3 zoning district.

(3) Class 1 cannabis distribution may be permitted within the Special Use (SU) District, subject to all applicable requirements of SCCC Section 13.10.650 and Chapter 7.128, where the General Plan designation of the parcel is AG (Agriculture) or where the parcel has a General Plan designation of I (Heavy Industry) or Q (Quarry). Where the General Plan designation is AG, Class 1 distribution uses may be permitted subject to the limitations applicable under SCCC Sections 13.10.312(B) and 13.10.650 in the RA zone district. Where the parcel has a General Plan designation of I or Q, Class 1 distribution uses may be permitted subject to the limitations of SCCC Sections 13.10.342(B) and 13.10.650 for the M-3 zoning district. Class 2 cannabis distribution may be permitted within the Special Use (SU) District, subject to all applicable requirements of SCCC Section 13.10.650 and Chapter 7.128, where the General Plan designation is Service Commercial/Light Industry (C-S) or where the parcel has a General Plan designation of I or Q. Class 2 distribution uses on these parcels may be permitted subject to the limitations of SCCC Sections 13.10.342(B) and 13.10.650 for the M-3 zoning district.

SECTION IX

The following definition shall be added to Section 16.01.020 of the Santa Cruz County Code:

“Environmental Coordinator” means the Planning Director of the County of Santa Cruz or designee.

SECTION X

This ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Business and Professions Code section 26055(h). That section states that Division 13 of the Public Resources Code does not apply to the adoption of an ordinance that requires

discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity if such discretionary review includes any applicable environmental review required under Division 13.

SECTION XI

Should any section, clause, or provision of this Ordinance be declared by the courts to be invalid, the same shall not affect the validity of the Ordinance as a whole, or parts thereof, other than the part so declared to be invalid.

SECTION XII

This ordinance shall take effect in areas outside the Coastal Zone on the 31st day after the date of final passage, and shall take effect in areas within the Coastal Zone on the 31st day after the date of final passage, or upon certification by the Coastal Commission, whichever is later.

PASSED AND ADOPTED this ____ day of _____, 2018, by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES: SUPERVISORS
NOES: SUPERVISORS
ABSENT: SUPERVISORS
ABSTAIN: SUPERVISORS

Attest: _____
Clerk of the Board

Chairperson of the
Board of Supervisors

Approved as to form:

Assistant County Counsel