



COMMERCIAL CANNABIS BUSINESS ADMINISTRATIVE PERMIT REGULATIONS

These regulations are promulgated by the Community Development Department under the authority provided by Municipal Code Section 5-07.48 to implement the provisions of Chapter 5, Article VII of the Salinas Municipal Code. These regulations shall have the same force and effect as law. These regulations shall be effective as of June 1, 2018, and replace all previous versions of these Regulations. The definitions of all terms utilized in these Regulations shall be the same as Chapter 5, Article VII of the Municipal Code.

All Administrative Permits for a Commercial Cannabis Business (CCB) shall be issued in accordance with these regulations. Pursuant to Section 5-07.12 of the Municipal Code, the following uses are subject to the Administrative Permit Process:

- 1) Nurseries; and
- 2) Research and Development Facilities; and.
- 3) Small Distribution Facilities; and
- 4) Testing Laboratories.

Applications shall comply with these regulations. Applications which do not comply with these regulations may be rejected by the City.

BEFORE YOU APPLY

- Review the information to learn about the application process and which documents you will need.
- Review the application in its entirety to ensure that it is complete and accurate.
- Review State laws and regulations governing CCB's, including the California Department of Justice Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use and the Medicinal and Adult-Use Cannabis Regulation and Safety Act, including any amendments thereto, and any draft or final regulations that may be released by the State to implement that law.
- Review the information on the City of Salinas commercial cannabis business webpage:

<https://www.cityofsalinas.org/our-city-services/community-development/commercial-cannabis-businesses>

APPLICATION INFORMATION

- (1) **Application Process:** Applications for Administrative Permits shall be submitted to the Office of the City Manager. Applications will be processed promptly, although delays may occur due to staffing level fluctuations. It may be helpful to make an appointment prior to submitting to ensure staff is available to process the permit request.
- (2) **Evaluation Process:** Application Materials will be reviewed by the Economic Development Manager. Applications which conform to these regulations will be approved. Applications which do not conform to these regulations will not be approved.
- (3) **Application Modifications:** Changes to the business location, physical footprint, or principals shall require issuance of a new Administrative Permit in accordance with these regulations.

NURSERY

(1) **Applicability:** A Nursery may be approved via an Administrative Permit if it meets ALL of the following criteria:

- The premises must be a stand-alone Nursery operation, and not a part of a larger operation including other Cultivation activities on the same premises.
- The growing of cannabis on the premises is limited to the growing of Immature Cannabis Plants.
- The Nursery operation is conducted entirely within an enclosed building (including a greenhouse).
- Sales are limited to seeds, cuttings, and immature cannabis plants (no larger than eight inches wide or tall, and no flowers or buds). Any other cannabis or cannabis products produced at the site shall be disposed of as waste pursuant to Section 5-07.19.5.

Cultivation operations which do not meet the criteria above shall require a Cultivation Permit as identified in Chapter 5, Article VII, Division 7 of the Salinas Municipal Code.

(2) **Required Materials:** An application for an Administrative Permit to permit a Nursery shall include the following materials:

- A completed, signed Administrative Permit Application Form;
- A check (made out to City of Salinas) or cash (exact change only) in the amount of the required Administrative Permit fees.
- A copy of a Criminal History Check, as described below, for all of the business principals.
- A Zoning Verification Letter, as described below, indicating that the proposed facility complies with Zoning regulations and does not require any additional action on the part of the Current Planning division of the Community Development Department, **OR** a copy of an approved review or permit from the Current Planning Division authorizing the facility, as appropriate; and
- A copy of a current City of Salinas Business License.

(3) **Regulations for Nurseries:** In addition to complying with any other applicable laws, a Nursery shall comply with the following regulations:

- The Nursery operator shall obtain and maintain in good standing a Type 4 License from the State of California. A copy of this license shall be submitted to the Office of the City Manager once it is obtained, and whenever it is updated or renewed.
- Business Identification Signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or products offered. No cannabis or cannabis products shall be visible from a public or private road, sidewalk, park, or any common public viewing area.
- All persons employed or contracted to work at the site shall obtain a Work Permit from the City of Salinas in accordance with Section 5-07.25 of the Salinas Municipal Code.
- All transportation to and from the site shall be done by a business with a valid Distribution license from the State. Any persons transporting cannabis, cannabis product, or cash shall

be a direct employee of the business. Vehicles used for the transport of cannabis, cannabis product, or cash shall not have any markings which would indicate the vehicle's affiliation with the business.

- The business may obtain an accessory Small Distribution Permit; this accessory use shall be limited to the transport of plants or plant components that have been or will be utilized at the site. Accessory Distribution of any cannabis or cannabis product that is not utilized as a part of the business is prohibited.
- With the exception of any growing plants, any cash, cannabis, or cannabis product with a value of over \$1,000 shall be stored in a permanently installed safe or vault when not actively being transported.
- If the business operations cause odors to become a nuisance to surrounding properties, and the business is unable to immediately cause these odors to cease, the business shall install an odor control system consistent with Section 5-07.29 of the Municipal Code that is sufficient to mitigate any odors emanating from the site. Such a system shall be installed within a timeline acceptable to the City.
- The business shall comply with all applicable laws relating to the application of pesticides.
- The business shall provide quarterly reports to the Office of the City Manager providing information on the number of employees, the average and median wages of these employees, and the ZIP Code of residence for each employee on the date of hire.

The City may take such action as deemed appropriate to remedy failure to comply with these regulations, including the issuance of administrative citations and/or suspension or revocation of the Administrative Permit.

RESEARCH AND DEVELOPMENT FACILITY

(1) **Required Materials:** An application for an Administrative Permit to permit a Research and Development Facility shall include the following materials:

- A completed, signed Administrative Permit Application Form;
- A check (made out to City of Salinas) or cash (exact change only) in the amount of the required Administrative Permit fees.
- A copy of a Criminal History Check, as described below, for all of the business principals.
- A Zoning Verification Letter, as described below, indicating that the proposed facility complies with Zoning regulations and does not require any additional action on the part of the Current Planning division of the Community Development Department, **OR** a copy of an approved review or permit from the Current Planning Division authorizing the facility, as appropriate; and
- A copy of a current City of Salinas Business License.
- A Security Plan prepared in accordance with the Salinas Municipal Code, if the business would have more than 30 square feet of growing area for mature cannabis plants.

(2) **Regulations for Research and Development Facilities:** In addition to complying with any other applicable laws, a Research and Development Facility shall comply with the following regulations:

- The business shall obtain and maintain in good standing a license from the State of California. A copy of this license shall be submitted to the Office of the City Manager once

it is obtained, and whenever it is updated or renewed. The license type(s) which will be obtained by the business shall be indicated on the Administrative Permit application.

- Business Identification Signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or products offered.
- All persons employed or contracted to work at the site shall obtain a Work Permit from the City of Salinas in accordance with Section 5-07.25 of the Salinas Municipal Code.
- All transportation to and from the site shall be done by a business with a valid Distribution license from the State. Any persons transporting cannabis, cannabis product, or cash shall be a direct employee of the business. Vehicles used for the transport of cannabis, cannabis product, or cash shall not have any markings which would indicate the vehicle's affiliation with the business.
- The business may obtain an accessory Small Distribution Permit; this accessory use shall be limited to the transport of plants or plant components that have been or will be utilized at the site. Accessory Distribution of any cannabis or cannabis product that is not utilized as a part of the business is prohibited.
- Except for growing plants, any cash, cannabis, or cannabis product with a value of over \$1,000 shall be stored in a permanently installed safe or vault when not actively being transported.
- The business shall install an odor control system adequate to keep odors from escaping from the site. The City may waive this requirement if the specific operations of the business are such that the likelihood of any odor escaping from the site is negligible; however, any operation that includes the growing of mature cannabis plants or the extraction of cannabis oil may not receive such an exemption. Any exemptions granted by the City may be revoked at any time if odors from the site become detectable outside the site.
- The business shall provide quarterly reports to the Office of the City Manager providing information on the number of employees, the average and median wages of these employees, and the ZIP Code of residence for each employee on the date of hire.

The City may take such action as deemed appropriate to remedy failure to comply with these regulations, including the issuance of administrative citations and/or suspension or revocation of the Administrative Permit.

SMALL DISTRIBUTION FACILITY

(3) **Applicability:** A Distribution Facility may be approved via an Administrative Permit if it meets ALL of the following criteria:

- The total area used for the Distribution portion of the operation does not exceed 500 square feet. This area shall include any counter/fixture areas and areas occupied by appliances, furniture, or other objects, regardless of whether they are permanently installed. When any portion of a room or closet is utilized for storage, the entirety of that area shall be included in the square footage unless the storage area is separated by a permanent wall that has a minimum height that is the lesser of eight feet or the distance from the floor to the ceiling.
- The site is used as a drop-off/pick-up point for cannabis or cannabis product to be transported to a testing facility or between licensees, or is used for business administration. No retail sale of any cannabis or cannabis products shall occur.

A Distribution facility which meets these criteria and the requirements of Salinas Municipal Code Section

5-07.12 may be considered a Small Distribution Facility. Distribution facilities which do not meet the criteria above shall require a Distribution Permit as identified in Chapter 5, Article VII, Division 10 of the Salinas Municipal Code.

(4) **Required Materials:** An application for an Administrative Permit to permit a Small Distribution Facility shall include the following materials:

- A completed, signed Administrative Permit Application Form;
- A check (made out to City of Salinas) or cash (exact change only) in the amount of the required Administrative Permit fees.
- A copy of a Criminal History Check, as described below, for all of the business principals.
- A Zoning Verification Letter, as described below, indicating that the proposed facility complies with Zoning regulations and does not require any additional action on the part of the Current Planning division of the Community Development Department, **OR** a copy of an approved review or permit from the Current Planning Division authorizing the facility, as appropriate; and
- A copy of a current City of Salinas Business License.

(5) **Regulations for Small Distribution Facilities:** In addition to complying with any other applicable laws, a Small Distribution Facility shall comply with the following regulations:

- The business shall obtain and maintain in good standing a Type 11 or Type 12 License from the State of California. A copy of this license shall be submitted to the Office of the City Manager once it is obtained, and whenever it is updated or renewed.
- Business Identification Signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or products offered.
- All persons employed or contracted to work at the site shall obtain a Work Permit from the City of Salinas in accordance with Section 5-07.25 of the Salinas Municipal Code.
- Any persons transporting cannabis, cannabis product, or cash shall be a direct employee of the business. Vehicles used for the transport of cannabis, cannabis product, or cash shall not have any markings which would indicate the vehicle's affiliation with the business.
- Any cash, cannabis, or cannabis product with a value of over \$1,000 shall be stored in a permanently installed safe or vault when not actively being transported.
- The business shall provide quarterly reports to the Office of the City Manager providing information on the number of employees, the average and median wages of these employees, and the ZIP Code of residence for each employee on the date of hire.

The City may take such action as deemed appropriate to remedy failure to comply with these regulations, including the issuance of administrative citations and/or suspension or revocation of the Administrative Permit.

TESTING LABORATORY

(1) **Required Materials:** An application for an Administrative Permit to permit a Testing Laboratory shall include the following materials:

- A completed, signed Administrative Permit Application Form;

- A check (made out to City of Salinas) or cash (exact change only) in the amount of the required Administrative Permit fees.
- A Zoning Verification Letter, as described below, indicating that the proposed laboratory complies with Zoning regulations and does not require any additional action on the part of the Current Planning division of the Community Development Department, **OR** a copy of an approved review or permit from the Current Planning Division authorizing the facility, as appropriate; and
- A copy of a current City of Salinas Business License.

(2) **Regulations for Testing Laboratories:** In addition to complying with any other applicable laws, a Testing Laboratory shall comply with the following regulations:

- The business shall obtain and maintain in good standing a Type 8 License from the State of California. A copy of this license shall be submitted to the Office of the City Manager once it is obtained, and whenever it is updated or renewed.
- Business Identification Signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or products offered.
- Any persons transporting cannabis, cannabis product, or cash shall be a direct employee of the testing laboratory. Vehicles used for the transport of cannabis, cannabis product, or cash shall not have any markings which would indicate the vehicle's affiliation with the business.
- Neither the business owners nor any employees or contractors shall have any ownership interest in nor be employed or contracted by any other commercial cannabis business other than testing laboratories.
- Any cash, cannabis, or cannabis product with a value of over \$1,000 shall be stored in a permanently installed safe or vault when not actively being transported.
- The Testing Laboratory shall provide quarterly reports to the Office of the City Manager providing information on the number of employees, the average and median wages of these employees, and the ZIP Code of residence for each employee on the date of hire.

The City may take such action as deemed appropriate to remedy failure to comply with these regulations, including the issuance of administrative citations and/or suspension or revocation of the Administrative Permit.

ADDITIONAL INFORMATION

Submittal items required by these regulations may be obtained as follows:

- (1) **Administrative Permit Application:** An application for an Administrative Permit may be obtained from the Office of the City Manager located in Salinas City Hall at 200 Lincoln Avenue, or on the City website.
- (2) **Business License:** A Business License may be obtained from the City of Salinas Finance Department located in Salinas City Hall at 200 Lincoln Avenue. These licenses can typically be obtained over-the-counter, and will require an additional fee.
- (3) **Criminal History Check:** When required as a part of the Application Process (as described above), each individual applying to be a principal of the CCB must apply for a Live Scan Criminal History Check. A Request for Live Scan Service may be obtained either from the Salinas Police Department or from the

City website above. This form must be used to initiate the criminal history check. Questions regarding the criminal history check process may be directed towards the Salinas Police Department by calling (831) 758-7226.

There will be a processing fee that must be paid at the time of the Live Scan. The Live Scan process involves submitting fingerprints to the DOJ/FBI, which will review for criminal offender record information (CORI). CORI reports will be provided to the Salinas Police Department for the sole purpose of determining eligibility for operating a CCB. See Section 5-07.07(b) for more information on City requirements.

- (4) **Work Permits:** When required (see above), each employee or contractor will be required to obtain a Work Permit. Work Permits may be obtained from the City Police Department, located at 200 Lincoln Avenue. Obtaining the Work Permit will include a Criminal History Check, as described above. Work Permits are valid for a period of 12 months and may not be transferred between companies. A fee for the processing of the Work Permit application will be required. These Permits may be obtained as necessary and are not required prior to issuance of a Permit. Employees who do not meet criminal history eligibility requirements will not be permitted to work at the site.
- (5) **Zoning Verification:** Applicants will be required to obtain either a “Zoning Verification Letter” (also known as a “Zoning Information Letter”) **OR** a project approval from the Planning Division of the Community Development Department (located at 65 West Alisal Street in Salinas) in order to ensure the location they are applying for meets all zoning requirements prior to submitting their CCB application. The process for a Zoning Verification Letter typically takes approximately ten (10) working days and includes an additional fee; additional time and fees will be necessary if an approval document is required.

RESERVATION OF RIGHTS

The City may modify these regulations or cease to accept permit applications without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any candidate submitting a proposal. Furthermore, an application will be rejected if it does not contain the required elements or exhibits.

CONTACT

If you have any questions or would like an update on the status of your application, please email Kelly Miller, City of Salinas Cannabis Consultant, at kmiller@rinconconsultants.com.