

RESOLUTION NO. 2017-51

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEVADA  
CITY, STATE OF CALIFORNIA, ADOPTING AN APPLICATION PROCESS  
FOR MEDICAL CANNABIS MANUFACTURING, CULTIVATION,  
DISTRIBUTION, AND TESTING LABORATORY BUSINESS PERMITS

The City Council of the City of Nevada City finds and determines that:

**WHEREAS**, the City Council adopted Ordinance No. 2017-10 which amended Chapter 9.22 of the Municipal Code entitled "Medical Cannabis Dispensaries and other Cannabis Businesses and Activity," to allow for the establishment, permitting, and regulation of medical cannabis cultivation, manufacturing, distributing, transporting, and testing within the City provided business operators receive a permit from the City and comply with all other state and local legal requirements; and

**WHEREAS**, subsequent to the adoption of Ordinance 2017-10, staff learned of the passage of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (the "MAUCRSA") effective June 27, 2017. Included among the changes adopted by the MAUCRSA was the elimination of the state licensing category of transporters/transportation businesses. The City's cannabis businesses listed in Ordinance No. 2017-10 were developed to mirror the state approved cannabis businesses categories, therefore, the City will not permit medical cannabis transporting businesses as a separate category of business. Accordingly, there is no reference to transporting as a separate medical cannabis business to be permitted by the City in this application process or in the application; and

**WHEREAS**, Section 9.22.050 of the newly adopted Chapter 9.22 requires the City Council to adopt a selection procedure to determine the manner in which Medical Cannabis Business Permits may be issued in order to promote neighborhood compatibility, prevent criminal enterprise, and generally ensure a safe and secure Medical Cannabis business.


**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Nevada City as following:


**Section 1.** The City Council hereby approves the Application in substantially the same format as Exhibit 1 attached hereto and incorporated herein by this reference. The City Manager or his or her designee is hereby authorized to develop additional application forms and related documents and to make changes to the documents approved herein provided the documents or changes are consistent with Chapter 9.22 of the Nevada City Municipal Code.

**Section 2.** The City Council hereby adopts the application procedure for medical cannabis cultivation, manufacturing, distribution, and testing laboratory businesses in the form attached hereto as Exhibit 2 and incorporated herein by this reference.

**PASSED AND ADOPTED** at the regular scheduled meeting of the City Council held on the 9<sup>th</sup> day of August, 2017 by the following vote.

AYES: STRAWSER, PARKER, MOBERG, SENUM, PHELPS  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: NONE

  
Duane Strawser, Mayor

ATTEST:   
Niel Locke, City Clerk

**RESOLUTION NO. 2017-XX**

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**PASSED AND ADOPTED** at the regular meeting of the City Council of the City of Nevada City on the 9<sup>th</sup> day of August, 2017, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

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**Duane Strawser, Mayor**

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**Niel Locke, City Clerk**

# **EXHIBIT 1**



# City of Nevada City

Staff Use

Planning Department  
317 Broad Street,  
Nevada City CA 95959

Fee: \$ \_\_\_\_\_

Date Paid: \_\_\_\_\_

Phone: 530-265-2496

Email: [Amy.Wolfson@NevadaCityCA.gov](mailto:Amy.Wolfson@NevadaCityCA.gov)

## MEDICAL CANNABIS BUSINESS PERMIT APPLICATION FORM (for non-dispensary businesses)

Please submit a minimum of **five (5) bound hard copies** and **one (1) digital copy** (usb drive or CD) of all application material.

Check business type being proposed. If multiple types are proposed, each type will need to be distinctly addressed in the supplemental documentation and on this form. A separate form may be submitted if it will help provide clarity.

\_\_\_ Manufacturing

\_\_\_ Distribution

\_\_\_ Cultivation

\_\_\_ Testing Laboratory

Business Name: \_\_\_\_\_

Business Primary Contact: \_\_\_\_\_

Contact Title: \_\_\_\_\_

Contact's Mailing Address: \_\_\_\_\_

Phone#: \_\_\_\_\_ E-mail: \_\_\_\_\_

24-

Hour Contact Information: \_\_\_\_\_

order to complete the application process. All these documents can be found on the Nevada City webpage:  
[www.NevadaCityCA.gov](http://www.NevadaCityCA.gov)

**Section A: Principal Background Information (Must be signed by all Principals)**

(Add more pages as necessary to accommodate signatures of all Medical Cannabis Business Principals.)

Under penalty of perjury, I acknowledge that I have personal knowledge of the information stated in this application and that the information contained herein is true. I also understand that the information provided in this application, except the Safety and Security Plan in Section C and certain confidential information such as driver's license and social security number, which can be redacted, may be public information and subject to disclosure under the California Public Records Act.

**Principal Name:** \_\_\_\_\_ **Principal Title:** \_\_\_\_\_ **Principal Home or**

**Cell Phone:** \_\_\_\_\_

**Principal Home Address:** \_\_\_\_\_

**Principal Signature:** \_\_\_\_\_

**Attachments:**

- \_\_\_ If business will operate as a collective/cooperative provide proof of status as a qualified patient or primary caregiver (State card or doctor recommendation)
- \_\_\_ Receipt/Proof of completion of preliminary background check
- \_\_\_ Picture of applicant (two passport quality photographs 2X2) Copy of
- \_\_\_ Social Security Card
- \_\_\_ Copy of Driver's License, DMV issued ID Card or Passport
- \_\_\_ Proof of address (DMV-issued ID/driver's license, and/or recent utility bill under Principal's name)

Staff use only: Pass background check \_\_\_\_\_

\*\*\*\*\*

**Principal Name:** \_\_\_\_\_ **Principal Title:** \_\_\_\_\_ **Principa**

**I Home or Cell Phone:** \_\_\_\_\_

**Principal Home Address:** \_\_\_\_\_

**Principal Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Attachments:**

- If a business will operate as a collective/cooperative, provide proof of Status as a qualified patient or primary caregiver (State card or doctor recommendations)
- Receipt/Proof of completion of preliminary background check
- Picture of applicant (two passport quality photographs 2x2)
- Copy of Social Security Card
- Copy of Driver's License, DMV issued ID Card or Passport
- Proof of Address (DMV-Issued ID/Driver's License, and/or recent utility bill Under Principal's name)

**Staff use only: Pass background check** \_\_\_\_\_

**Principal/Partner History:**

1. List whether, the applicant(s) has other licenses and/or permits issued to and/or revoked from the applicant, in the three years prior to the year of the permit application, such other licenses and or permits relating to similar business activities as in the permit application. If yes, please list the type, current status, issuing/denying for each license/permit. (Please attach a separate document explanation if necessary)

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2. List any and all partners who have been found guilty of a violent felony, a felony or misdemeanor involving fraud, deceit, embezzlement, or moral turpitude, or the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substance Act, with the exception of medical cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996. (Please attach a separate document explanation if necessary)

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**Section B: Business Organization Status**

1. Describe the Medical Cannabis Business organizational status:

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Attach proof of status, such as articles of incorporation, by-laws, partnership agreements, and other documentation as may be appropriate or required by the City.

**Section C: Medical Cannabis Business Description and Location**

1. Statement of Purpose of Medical Cannabis Business (a separate sheet may be attached, labeled Section C.1):

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2. Proposed Location of Business: \_\_\_\_\_

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3. Name and address of property owner: \_\_\_\_\_

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4. Name and address of school(s) and/or public park(s) closest to Proposed Location: \_\_\_\_\_

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5. Have you received a Zoning Verification Letter? (Please check the appropriate response) Yes (If yes, include documentation with this section of the application) No \_\_\_\_\_

6. Description of neighborhood around the proposed location surrounding uses, nearby sensitive uses (such as schools, churches, parks, daycares, or residents), transit access to site, etc. A separate sheet may be attached and labeled Section C.6.

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7. Site plan must be dimensioned and show the entire parcel including parking and additional structures [recommended scale of **1"= 20'**]. In addition, please attach elevations and photos of proposed location. If any exterior alterations are proposed for the existing building, also attach a proposed site plan that is accurate, dimensioned and to-scale for each potential location and include elevation details. The scale should accommodate an accurate site plan on a sheet of paper no larger than 11X 17.

8. Floor Plans shall be attached and shall be accurate, dimensioned and to-scale [recommended scale of **1/4"= 1'**] for each potential location. If any interior alterations are proposed for the existing building, also attach proposed floor plans. The scale should accommodate an accurate floor plan on a sheet of paper no larger than 11X 17.

9. Signage Plan.

10. Vicinity Map.

11. Photos of the site and building(s).

### **Section D: Required supplemental information**

This information is required for this application to be considered complete. Attach the following reports to the application.



**Business and Parking Plan**

**Neighborhood Compatibility Plan**

**Safety and Security Plan**

**Environmental Benefits (Water/Energy Efficiency Measures)**

**Community Benefits**

**Labor and Employment**

**Local Enterprise**

**Qualifications of Principals**

## STAFF USE ONLY

Date of initial application: \_\_\_\_\_

File Number assigned to application:

\_\_\_\_\_

Date fee received:

\_\_\_\_\_

Date application reviewed for completeness:

\_\_\_\_\_

Complete

Incomplete

Date Proof of ownership was verified or a signed and notarized statement from the property owner was received:

\_\_\_\_\_

Date application reviewed by Planning Commission: \_\_\_\_\_

Approved

Denied

# EXHIBIT 2

## APPLICATION PROCEDURE FOR MEDICAL CANNABIS BUSINESS PERMIT (OTHER THAN DISPENSARIES)

The application process for a permit to operate a Medical Cannabis Business (other than dispensaries) including medical cannabis cultivation, manufacturing, distribution and testing laboratories (“MCB”) in Nevada City is now open. Applications will be processed on a first come, first served basis, and will be accepted on a rolling basis. Applications will be available at the Nevada City Hall, 317 Broad Street, Nevada City, CA 95959 and posted to the City’s website ([www.nevadacityca.gov](http://www.nevadacityca.gov)). For questions regarding the application process, please review the Frequently Asked Questions (FAQ’s), on the City of Nevada City’s webpage. This outlines the application process, required materials, and other information necessary to operate a MCB in Nevada 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 the information on the medical cannabis business application webpage ([www.nevadacityca.gov](http://www.nevadacityca.gov)) which includes the following information:
  - Nevada City Municipal Code (“NCMC”) Chapter 9.22 which contains the City regulations on Medical Cannabis Businesses.
  - Local Zoning Ordinance Chapters 17.142 (“Medical Cannabis Uses and Activities”).
  - State Background Check Form and Live Scan Form.
  - Frequently Asked Questions and other general information about the permitting process.
  - State laws governing MCB’s, including the Medicinal and Adult-Use Cannabis Regulation and Safety Act.
  - The California Department of Justice Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use and Senate Bill 420 (Medical Marijuana Program Act).

### **GENERAL INFORMATION:**

1. **Application Process:** The selection process shall consist of the following steps:
  - Staff determination of application completeness.
  - Background checks verification.
  - Staff review and public noticing.
  - Planning Commission Meeting for determination of permit.

For more information, see Evaluation and Selection Process below.

2. **Criminal History Check:** Each individual applying to be a principal of the MCB (“Principal”) must undergo a criminal history check. Until City receives clearance to receive federal background check results, applicants must submit to a state background check and then once the City receives federal clearance,

applicants must also complete the Live Scan background check process. The Planning Commission is authorized to issue a medical cannabis business permits after an applicant passes the stat background check, but before the applicant completes the Live Scan process, provided that the permit issued is contingent on the applicants' passing the Live Scan background check. Should an applicant with a permit fail the Live Scan background check, the permit will immediately and automatically be revoked and the operating must cease operations immediately upon being notified by the City that the applicant failed the background check. In order to ensure that you have the right form and the required information, we recommend that you use the form that has been provided to you in the application package. This form can also be found on the City of Nevada City website listed above.

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 Nevada City Police Department for the sole purpose of determining eligibility for operating a Medical Cannabis Dispensary. See NCMC Section 9.22.0 (M) for background check requirements. The City may deny a permit application if the applicant has been convicted of a crime listed in California Business and Professions Code section 19323.

- 3. Zoning Verification Letter:** Applicants will be required to identify by Assessor's Parcel Number (APN), and address (where available), the property they intend to use for their proposed MCB. Applicants must also obtain and pay all applicable fees for obtaining a "Zoning Verification Letter" for that property from the Nevada City Planning Department. The purpose of the Zoning Verification Letter is to ensure that the property the applicant is applying for meets local requirements or has submitted a completed application to the City Planning Department for a qualifying rezone. The fee for the Zoning Verification Letter is included in the application fee. Please note that the issuance of a "Zoning Verification Letter" does not constitute written evidence of any kind of permission being given by the City of Nevada City, and it does not convey any right to operate a MCB in the City. Final decisions on the issuance of permits will be made by the Planning Commission following the approved application procedure process. The issuance of a Zoning Verification letter is not a "permit" within the meaning of the Permit Streamlining Act, nor does it constitute an entitlement of any kind under the City's Zoning or Building Code. A regulatory permit for the purpose of regulating a MCB does not constitute a permit that runs with the land on which the MCB is established. Request for Zoning Verification Letters require a written request to the Planning Department and will not be completed over the counter.
- 4. Application:** Applicants must hand deliver five (5) complete comprehensive and signed copies of the Nevada City Medical Cannabis Business Application Form, and all attachments, if any, along with a flash drive which contains one comprehensive and signed copy of the application in a pdf format, and payment of **\$1,550.00** for the initial application fee (plus \$775.00 for each subsequent medical cannabis business type requested by the same applicant in a single application). Payment must be made by a certified check, cashier's check or money order made payable to the City of Nevada City. Application Fees are non-refundable.

A complete application will consist of the following information:

- a. The Nevada City Medical Cannabis Business Application Form;

- b. Proof of completion of background check application (either state background check or Live Scan submittal and payment for each of the Principals, whichever is applicable);
  - c. Zoning Verification Letter; and
  - d. All of the information about the MCD which is described in the application and Evaluation Process section below in this procedure.
  - e. Payment of the application fee.
- 5. Public Meeting:** Completed application, once principals pass background checks and staff has had adequate time to review and make a recommendation, will schedule each application for a public meeting in front of the Planning Commission that will be held at the City of Nevada City Council Chambers located at 317 Broad Street, Nevada City, California. Notice of this meeting will be provided by the City to any affected parcels located within 300 feet of the proposed location for each of the top three (3) applicants in each category, in accordance with NCMC Section 9.22.070 (a)(3). The cost of providing this notification must be paid by the applicants before the Planning Commission hearing to consider the application takes place. Applicants are notified that, they will be required to separately purchase the radius map and labels for the public meeting. Labels and radius map are required at least twenty-four (24) days prior to the date of the public meeting. Staff will prepare and mail out the notice. Applicants will be required to pay \$15 per mailing and \$100 for preparation of the notice.

## **EVALUATION AND SELECTION PROCESS:**

### **Step 1: Determination of Eligibility and Application**

Each Principal must undergo a criminal history check by obtaining a background check through either the state background check process and Live Scan process or only the Live Scan process depending on whether the FBI has granted City access to federal background check results by the time the application is submitted. The City will deny a permit application if the applicant has been convicted of a crime listed in California Business and Professions Code section 19323.

Applications must be complete to be considered. Complete application will contain the following information:

1. Proposed location of business and Zoning Verification Letter;
2. Business and Parking Plan;
3. Environmental Benefits (energy/water efficient practices, disposal methods);
4. Labor & Employment;
5. Local Enterprise;
6. Neighborhood Compatibility Plan;
7. Community Benefits;
8. Qualifications of Principals; and
9. Safety and Security Plan.

### **Step 2: Staff and Planning Commission Review**

Once the principals pass the background check, City staff including the Police Chief, Fire Chief, Building Official, City Engineer, City Manager, City Planner and an attorney from the City Attorney's Office will review the application in order to make a recommendation to the Planning Commission about whether the application should be approved. The Planning Commission will also be given the application to allow adequate time for their review.

### **Step 3: Notice & Planning Commission Meeting to Consider Application**

Once staff and the Planning Commission have completed their review of the application, planning staff will schedule the application for consideration at a Planning Commission meeting and will notify property owners within 300 feet of the proposed business location, as required by Chapter 9.22070 (a)(3) of the Nevada City Municipal Code.

The Planning Commission will hold a public meeting at a regular Planning Commission meeting as scheduled by the planning department, and will make a determination as to whether to approve, deny, or continue the application. If the Planning Commission approves the application for a medical cannabis business permit, it will be contingent on the applicant obtaining all other land use entitlements necessary to begin operations, including any required environmental review.

### **The City's Reservation of Rights**

The City reserves the right to reject any and/or all proposals, with or without any cause or reason. The City may also, modify, postpone, or cancel the request for 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, a proposal RISKS BEING REJECTED for any of the following reasons:

1. Proposal not containing the required elements, exhibits, nor organized in the required format.
2. Proposal considered not fully responsive to this request for a permit application.
3. Proposal contains excess or extraneous material not called for in the request for permit application.

### **CONTACT:**

If you have any questions or would like an update on the status of your application, please contact Amy Wolfson at 530-265-2496, ext. 130 or by email at [Amy.Wolfson@nevadacityca.gov](mailto:Amy.Wolfson@nevadacityca.gov).