

September 16, 2020 | **Final
Initial Study/ Negative Declaration**

COMMERCIAL CANNABIS ORDINANCE

City of Corona

Prepared for:

City of Corona
400 S. Vicentia Avenue
Corona, California 92882
(951) 736-2434

Prepared by:

PlaceWorks
Contact: Tanya Sundberg, Associate Principal
1625 Shattuck Avenue, Suite 300
Berkeley, California 94709
714.966.9220
tsundberg@placeworks.com
www.placeworks.com

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CITY OF CORONA

INITIAL STUDY / ENVIRONMENTAL CHECKLIST

PROJECT TITLE: Commercial Cannabis Ordinance

PROJECT LOCATION: Light Manufacturing Zone (M-1), General Manufacturing Zone (M-2), Heavy Manufacturing Zone (M-3), and Industrial Park Zone (M-4).

PROJECT PROPONENT: City of Corona, 400 S. Vicentia Avenue, Corona, California 92882

PROJECT DESCRIPTION:

The proposed Commercial Cannabis Ordinance would amend Title 5, Business Licenses and Regulations, of the Corona Municipal Code (CMC) to permit certain cannabis businesses in the City of Corona and establish a regulatory framework for the City licensure and operation of cannabis businesses. Additionally, Title 17, Zoning, of the CMC would be amended to identify the zoning designations that will allow cannabis businesses governed by the proposed Commercial Cannabis Ordinance. The amendment would also remove references to marijuana type businesses found in various chapters throughout Title 17 and replace the language with the cannabis definitions found in the proposed Commercial Cannabis Ordinance.

Chapter 9.19, Marijuana Businesses, of Title 9, Public, Peace, Morals and Welfare, of the CMC will also be repealed as part of the proposed Commercial Cannabis Ordinance. Chapter 9.19 currently prohibits all marijuana-type businesses within Corona, which would conflict with the proposed Commercial Cannabis Ordinance.

The City is also establishing, by resolution, the application process for commercial cannabis businesses. The amendments to the CMC and resolution being prepared by the City are considered the proposed project for the purposes of this environmental analysis under the California Environmental Quality Act (CEQA; California Public Resources Code, Section 21000 et seq.).

The following summarizes the proposed project.

Title 5, Business Licenses and Regulations

Chapter 5.36 is currently titled Marijuana Businesses and prohibits all types of marijuana businesses in the city. The proposed project will eliminate the prohibition on marijuana businesses in Chapter 5.36 and replace it with provisions to permit, license, and regulate the following types of commercial cannabis businesses and commercial cannabis activity within the city: storefront retailer, non-storefront retailer, manufacturing, distribution, testing laboratories, and microbusinesses. The ordinance would also expressly prohibit cannabis cultivation and commercial activity involving industrial hemp.

Chapter 5.36, as amended, would establish development standards for the location of cannabis businesses. Below is a summary of the standards included in the proposed ordinance.

a. Maximum number of permits. The maximum number of commercial cannabis permits available for storefront retailers and storefront retail microbusinesses would be based on the formula of one storefront retailer and/or storefront retail microbusiness per 15,000 city residents using the annual population estimates published by the Department of Finance and rounded up to the next whole number. Initially, upon adoption of the Commercial Cannabis Ordinance, the City would limit the number of retail storefronts and/or storefront retail microbusinesses to 12 based on current population data from the Department of Finance (i.e., DoF Table E-1).

There would not be a numerical limit on the number of commercial cannabis permits available for non-storefront retail, manufacture, distribution, testing laboratories, and non-storefront retail microbusinesses.

The City Council would have the authority to increase or decrease, by resolution, the maximum number of commercial cannabis permits available for issuance.

b. Separation requirements for cannabis storefront retailer and/or storefront retail microbusiness. No storefront retailer and/or storefront retail microbusiness could be located within a 1,000-foot radius, measured from the public entrance of the retailer, of the perimeter of a public or private school providing instruction to kindergarten or grades 1 through 12, youth center, daycare center, public or private park located within the City's jurisdictional boundaries or residential zones located within the City's jurisdictional boundaries. The separation requirement would not apply to public and private parks and residential zones that are not located within the City's jurisdictional boundaries (i.e., abutting unincorporated county areas). However, the minimum separation required under the State of California's cannabis laws would apply to public or private schools providing instruction to kindergarten or grades 1 through 12, youth centers and daycare centers, even if they are not located within the City's jurisdictional boundaries.

c. Separation requirements for cannabis businesses that are non-storefront retail and non-storefront retail microbusiness. No manufacturer, distributor, testing laboratory, or non-storefront retail microbusiness could be located within a 600-foot radius, measured from the primary entrance of such commercial cannabis business, of the perimeter of a public or private school providing instruction to kindergarten or grades 1 through 12, youth center, daycare center, public or private park located within the City's jurisdictional boundaries or residential zone located within the City's jurisdictional boundaries. The separation requirement would not apply to public and private parks and residential zones that are not located within the City's jurisdictional boundaries (i.e., abutting unincorporated county areas). However, the minimum separation required under California's cannabis laws would apply to public or private schools providing instruction to kindergarten or grades 1 through 12, youth centers, and daycare centers, even if they are not located within the City's jurisdictional boundaries.

d. Exclusion of freeway from separation requirement. The measurement of the separation requirement between a commercial cannabis business and any of the land uses described above would stop at State Route 91 (SR-91) and Interstate 15 (I-15), provided that the separation requirements comply with California's cannabis laws.

e. Operating requirements. The proposed Commercial Cannabis Ordinance lists several operational requirements for all commercial cannabis businesses, including a prohibition of on-site consumption of cannabis at any permitted commercial cannabis business, which is identical to the state's cannabis laws, and a provision that limits the hours of operation for retailers from 6:00 a.m. to 10:00 p.m. All permitted commercial cannabis businesses would also be required to be designed and constructed to contain all odors generated from the business on the premises, and to have an odor-control system designed by a registered design professional installed on the premises.

Title 9, Public Peace, Morals, and Welfare

Chapter 9.19 of the CMC (Marijuana Businesses) prohibits marijuana cultivation, marijuana delivery, and marijuana distribution in the city. Chapter 9.19 would be repealed in its entirety as it conflicts with the proposed amendments to Chapter 5.36 of the CMC, as set forth above. As indicated above, Chapter 5.36 would continue to prohibit cannabis cultivation and businesses involving industrial hemp.

Title 17, Zoning Ordinance

CMC Chapter 17.04 defines marijuana, marijuana cultivation, marijuana delivery, and marijuana dispensary. There are also various chapters within Title 17 that list marijuana cultivation, marijuana delivery, and marijuana dispensary as a prohibited land use in the City’s zoning designations. These chapters would be amended to delete all references to marijuana cultivation, marijuana delivery, and marijuana dispensary and add the same commercial cannabis terminology that is being added to Chapter 5.36. Cannabis retailers and storefront retail microbusinesses, and cannabis manufacturers, distributors, and testing laboratories would remain a prohibited land use in all zoning designations other than the industrial zones defined by Chapter 17.44, Industrial Zones, and cannabis cultivation would continue to be prohibited in all land use zones in the city. The zoning designations where commercial cannabis businesses and industrial hemp would be prohibited are shown in the Table 1.

| Table 1. Zoning Designations Prohibiting Commercial Cannabis and Industrial Hemp | | | |
|---|--------------------|-------------------------------------|--------------------|
| Zoning | CMC Chapter | Zoning | CMC Chapter |
| Agriculture | 17.06 | R-3 (Multiple-Family Residential) | 17.24 |
| A-14.4 (Agriculture) | 17.08 | R-3C (Multiple Dwelling) | 17.26 |
| R-1A (Residential, 1 acre) | 17.10 | R-G (Multiple Dwelling) | 17.28 |
| R20 (Residential, 20,000 square feet [sf]) | 17.11 | MP (Mobile Home) | 17.30 |
| R12 (Residential, 12,000 sf) | 17.12 | C2, C3, CP (Commercial and Office) | 17.33 |
| R-1-9.6 (Residential, 9,600 sf) | 17.14 | PCD (Planned Community Development) | 17.52 |
| R-1-8.4 (Residential, 8,400 sf) | 17.16 | SP (Specific Plan Zone) | 17.53 |
| R-1-7.2 (Residential, 7,200 sf) | 17.18 | MR (Mineral Resource Overlay) | 17.62 |
| R-1-14.4 (Residential, 14,400 sf) | 17.20 | Home Occupation | 17.80 |
| R-2 (Low-Density Multiple-Family Residential) | 17.22 | | |

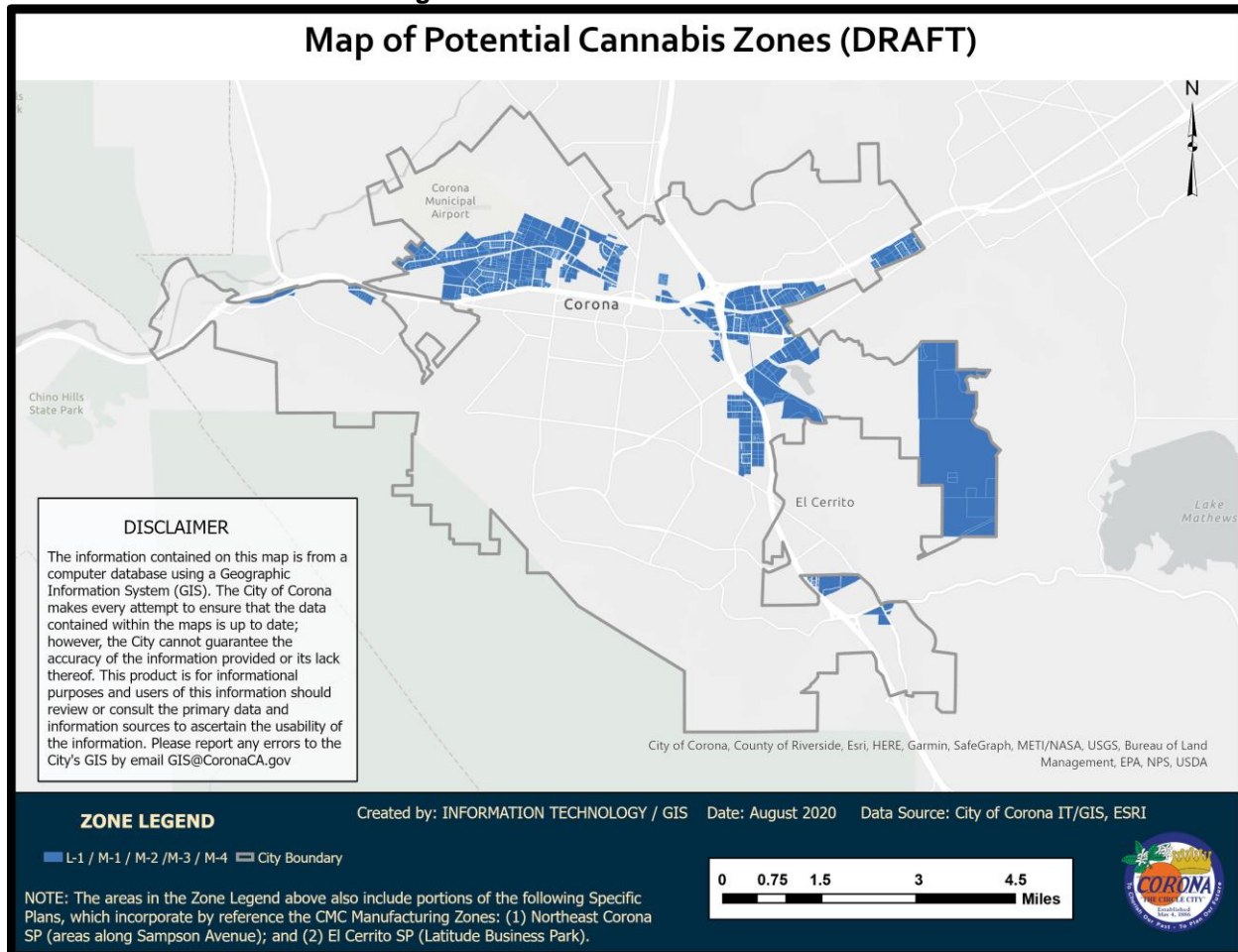
Chapter 17.44, Industrial Zones, describe the industrial zones governed by the City’s municipal code. The industrial zoning designations are identified as:

- M-1 (Light Manufacturing)
- M-2 (General Manufacturing)
- M-3 (Heavy Manufacturing)
- M-4 (Industrial Park)

The amendments to Chapter 17.44 would delete all references to marijuana cultivation, marijuana delivery, and marijuana dispensary and add cannabis retailer (storefront and non-storefront), microbusiness, manufacturing, distribution, and testing laboratories as permitted land uses in the M-1, M-2, M-3, and M-4 zones. Cannabis cultivation and industrial hemp will be listed as non-permitted land uses in the M-1, M-2, M-3, and M-4 zones.

The following map (Figure 1) shows the location of the M-1, M-2, M-3, and M-4 zones. This map can also be viewed on the City's website at <https://www.coronaca.gov/government/commercial-cannabis-portal>. The draft Commercial Cannabis Ordinance is provided in its entirety as Appendix A to this Initial Study.

Figure 1 – Industrial Zones Locations



Proposed Rules and Regulations for Permitting Commercial Cannabis Businesses

The City is proposing to adopt, by resolution, rules and regulations for the permitting of commercial cannabis businesses, which resolution would be adopted concurrently with the proposed Commercial Cannabis Ordinance. The resolution proposes to establish the procedures and requirements for commercial cannabis applications and the process for issuing commercial cannabis permits authorized by Chapter 5.36. The application review process would occur over three phases. In the first phase (preliminary approval), the City Manager or his or her designee would review the application for compliance with the submittal requirements. Additionally, during this phase, storefront retailers and storefront retail microbusinesses would be required to undergo a merit-based evaluation process, which would result in a ranking of applicants that would be final and valid for 12 months. Applications that are preliminarily approved would advance to the second phase of the application process. The second phase (provisional approval) involves the identification of and proof of control of the preferred location for the proposed commercial cannabis business that complies with the applicable distance requirements. Applicants would also be required to execute an operational agreement with the City during this phase. Applicants that are provisionally approved would advance to the third phase. During the third phase (final approval), applicants would be required to obtain all state cannabis licenses for the proposed commercial cannabis business, a City business license, and all building, fire, and occupancy permits for the business.

The draft resolution is provided in its entirety as Appendix B to this Initial Study.

ENVIRONMENTAL SETTING:

Site Description:

At this time, the City has no pending applications or knowledge of where one or more cannabis business site(s) will be proposed. Figure 1, *Map of Potential Cannabis Zones (Draft)*, shows the potential sites for cannabis businesses in the city. While many of these locations are already developed with existing businesses, some of the sites are vacant.

Site Surroundings:

The M-1 through M-4 zones are predominantly found within urbanized portions of the city and are surrounded by existing development.

GENERAL PLAN/ZONING:

General Plan designation of potential cannabis business sites in the city are MU-2 (Mixed-Use: Industrial/Commercial), LI (Light Industrial), and GI (General Industrial). The zoning designation of potential cannabis business sites are M-1 through M-4.

STAFF RECOMMENDATION:

The City's staff, having undertaken and completed an initial study of this project in accordance with the City's "Local Guidelines for Implementing the California Environmental Quality Act (CEQA)," has concluded and recommends the following:

- The proposed project could not have a significant effect on the environment. **Therefore, a NEGATIVE DECLARATION will be prepared.**
- The proposed project could have a significant effect on the environment, however, the potentially significant effects have been analyzed and mitigated to below a level of significance pursuant to a previous EIR as identified in the Environmental Checklist attached. **Therefore, a NEGATIVE DECLARATION WILL BE PREPARED.**
- The Initial Study identified potentially significant effects on the environment but revisions in the project plans or proposals made by or agreed to by the applicant would avoid or mitigate the effects to below a level of significance. **Therefore, a MITIGATED NEGATIVE DECLARATION will be prepared.**
- The proposed project may have a significant effect on the environment. **Therefore, an ENVIRONMENTAL IMPACT REPORT is required.**
- The proposed project may have a significant effect on the environment, however, a previous EIR has addressed only a portion of the effects identified as described in the Environmental Checklist discussion. As there are potentially significant effects that have not been mitigated to below significant levels, a **FOCUSED EIR will be prepared to evaluate only these effects.**
- There is no evidence that the proposed project will have the potential for adverse effect on fish and wildlife resources, as defined in Section 711.2 of the Fish and Game Code.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The following indicates the areas of concern that have been identified as “Potentially Significant Impact” or for which mitigation measures are proposed to reduce the impact to less than significant.

- | | | |
|--|--|---|
| <input type="checkbox"/> Land Use Planning | <input type="checkbox"/> Hazards / Hazardous Materials | <input type="checkbox"/> Tribal Cultural Resources |
| <input type="checkbox"/> Population and Housing | <input type="checkbox"/> Noise | <input type="checkbox"/> Mandatory Findings of Significance |
| <input type="checkbox"/> Geologic Problems | <input type="checkbox"/> Public Services | <input type="checkbox"/> Wildfire |
| <input type="checkbox"/> Hydrology and Water Quality | <input type="checkbox"/> Utilities | <input type="checkbox"/> Energy |
| <input type="checkbox"/> Air Quality | <input type="checkbox"/> Aesthetics | |
| <input type="checkbox"/> Transportation / Traffic | <input type="checkbox"/> Cultural Resources | |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Agricultural Resources | |
| <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Greenhouse Gases | |

Date Prepared: September 16, 2020

Prepared By: PlaceWorks

Contact Person: Joanne Coletta, Community Development Director

Phone: (951) 736-2434

AGENCY DISTRIBUTION

(check all that apply)

- Responsible Agencies
- Trustee Agencies (California Department of Fish and Wildlife [CDFW], California State Lands Commission [CSLC], California Department of Parks and Recreation [CDPR], University of California)
- State Clearinghouse (CDFW, US Fish and Wildlife Services [USFWS], Redev. Projects)
- Air Quality Management District (AQMD)
- Pechanga
- Soboba
- Regional Water Quality Control Board (RWQCB)
- Other State of California Bureau of Cannabis Control

UTILITY DISTRIBUTION

- Southern California Edison

Southern California Edison
Adriana Mendoza-Ramos, Esq.
Region Manager, Local Public Affairs
1351 E. Francis St.
Ontario, CA 91761

Southern California Edison
Karen Cadavona
Third Party Environmental Review
2244 Walnut Grove Ave.
Quad 4C 472A
Rosemead, CA 91770

Environmental:

Note: This form represents an abbreviation of the complete Environmental Checklist found in the City of Corona CEQA Guidelines. Sources of reference information used to produce this checklist may be found in the City of Corona Community Development Department, 400 S. Vicentia Avenue, Corona, California.

1. LAND USE AND PLANNING:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-------------------------------------|
| a. Conflict with any land use plan/policy or agency regulation (general plan, specific plan, zoning) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Conflict with surrounding land uses | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Physically divide established community | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

- a. The proposed project would amend Title 17, Zoning, of the CMC to permit cannabis businesses in industrial zoning districts (M-1 through M-4) in the city. Once adopted, the proposed project would supersede and therefore not conflict with the existing Zoning Code.

The proposed project would allow potential cannabis business sites within the General Plan designations of MU-2 (Mixed-Use: Industrial/Commercial), LI (Light Industrial), and GI (General Industrial). The MU-2 designation accommodates the development of light industrial uses or a mix of industrial and commercial uses. The LI designation accommodates low-intensity, nonpolluting manufacturing, research and design (R&D), e-commerce, wholesale, and distribution facilities, as well as campus-style industrial and business parks. The GI designation accommodates a wide range of manufacturing, construction, transportation, wholesale trade, warehousing, vehicle storage, and related service activities, as well as mineral resource activities. The cannabis business uses that would be allowed under the proposed project are consistent with these General Plan designations, and similar to other land uses that are currently allowed within the M-1 through M-4 zones, as shown in Table 1, Permitted Land Uses, in Section 17.44.030 of the CMC, including the following uses:

- Retail sales of various products, which are similar to storefront cannabis retailers and microbusinesses.
- Parcel delivery service, which is similar to non-storefront cannabis retailers.
- Pharmaceutical processing, food processing and packaging, and manufacturing, assembly, and fabrication of goods from various products, which are similar to cannabis manufacturing.
- Warehousing and distribution, which are similar to cannabis distribution.
- Laboratories and research development and testing laboratories and facilities, which are similar to cannabis testing laboratories.

The proposed project would modify the table of allowable uses in the Zoning Code, but would not change any other building, zoning, or development standards within Title 17. The proposed project does not propose changes to any other land use plan, policy, or regulation other than those specific to Cannabis activities as proposed for Chapter 5.36; nor does it include provisions that would be in conflict with any land use plan, policy, or regulations of an agency with jurisdiction over the project. Therefore, no impact would occur.

- b. Future cannabis businesses would only be permitted in the M-1 through M-4 zones. Therefore, they would be generally surrounded by similar, compatible industrial and commercial land uses. Future cannabis businesses could conflict with existing sensitive uses, including residential, school, park, and youth-oriented uses. However, such businesses would be subject to the separation requirements outlined in Section 5.36.070 of the proposed ordinance, which require a 1,000-foot buffer between retailers or storefront retail microbusinesses and public and private schools (grades K–12), youth centers, daycare centers, public or private parks within the City’s jurisdictional boundaries, and residential zones within the City’s jurisdictional boundaries, and a 600-foot buffer between the same sensitive uses and manufacturers, distributors, testing laboratories, and non-storefront retail microbusinesses. The required separation of potential future cannabis businesses from these sensitive uses would ensure that potential land use conflicts are avoided. In addition, any new or renovated structures that would be needed to accommodate future cannabis businesses would be subject to 2020–2040 General Plan Policies LU-5.11 and LU-12.6, which require that such development be designed to be compatible with adjoining uses through architectural and building design, setbacks and buffering, signage, landscaping, screening, vehicle access, and mitigation of other impacts. Therefore, no impact would occur.
- c. Future cannabis businesses would be located indoors, typically within existing or renovated buildings, and would be subject to development standards of the particular zoning district (M-1 through M-4). As such, the proposed project does not propose major infrastructure (e.g., freeways or railways) that could physically divide an established community. The type of anticipated development associated with commercial cannabis uses would primarily be

Environmental:

located within built areas where similar commercial and industrial uses are currently permitted. Any new development on vacant land for a future cannabis business would occur on sites already zoned for an industrial use. Because the project does not propose a change to a land use designation or parcel zoning or propose major infrastructure changes, there is no potential to divide an established community. Therefore, no impact would occur.

Environmental:

2. POPULATION AND HOUSING:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|-------------------------------------|
| a. Induce substantial growth | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Displace substantial numbers of existing housing or people | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

- a. The proposed ordinance would establish a framework to regulate commercial cannabis activities within the city. The proposed project does not include specific development projects and therefore would not result in direct population growth. Indirect population growth as a result of adding new jobs to the city is unlikely as cannabis businesses are not considered large employment generators, and employment generated by future cannabis businesses would be similar to other uses already allowed in the M-1 through M-4 zones. Meanwhile, the current estimate of regional unemployment of 14.9 percent suggests that any new jobs created by future projects can be drawn from a pool of local labor that would not require building new homes (BLS 2020). In addition, the proposed project would not make any changes to the City’s adopted General Plan land use and zoning maps, which guide the amount, location, and type of population growth in Corona. Therefore, no impact would occur.
- b. The proposed project does not include specific development projects and would not directly displace housing or people. Future cannabis businesses permitted under the proposed project would be restricted to zoning districts that are designated for industrial uses (M-1 through M-4 zones), and which do not allow residential development. While it is possible that there are existing non-conforming homes in the M-1 through M-4 zones, and that future cannabis businesses could require redevelopment of those home sites, such instances would be limited and not result in the displacement of substantial numbers of housing or people. Therefore, no impact would occur.

3. GEOLOGIC PROBLEMS:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|--|--------------------------------|--|-------------------------------------|--------------------------|
| a. Fault/seismic failures (Alquist-Priolo zone)/ Landslide/ Liquefaction | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Grading of more than 100 cubic yards | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Grading in areas over 10-percent slope | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Substantial erosion or loss of topsoil | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Unstable soil conditions from grading | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Expansive soils | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

a. The western portion of the city is within the Elsinore fault zone and includes Alquist-Priolo fault lines. There are liquefaction zones within the northern portions of the city and east of Home Gardens. Areas of landslides are predominantly focused around the city’s boundary (PlaceWorks 2019). Development in areas with seismic, liquefaction, or landslides risks are required to adhere to the California Building Code (CBC), which provides standards pertaining to seismic design and other geological hazards, as well as best management practices (BMPs). Future cannabis businesses would be located indoors, typically within existing or renovated buildings that have complied with the building code in effect at the time of construction. No specific construction-level development is proposed and no physical changes to the environment would directly result from the adoption and implementation of the proposed project. Any new construction would be required to comply with the CBC in effect at the time of building permit issuance. The CBC includes design requirements for soil types and seismic events. Therefore, impacts would be less than significant.

b. and c.

While the City expects that future cannabis businesses would typically be in existing or renovated buildings, future new construction could result in grading of over 100 cubic yards or in areas over 10-percent slope. All future new construction would be required to comply with CBC standards and BMPs, such as erosion and dust control through watering and covering of the soil to ensure impacts are reduced to a less-than-significant level. Additionally, future development would be required to comply with Chapter 15.36, Grading Regulations, of the CMC, which requires that projects submit a soil engineering report that would establish requirements for foundation and building design. Recommendations in the geotechnical report(s) are required by the City to be included on grading plans and implemented during project construction activities. Additionally, as stated previously in Section 1, Land Use and Planning, there are uses currently allowed in the M-1 through M-4 zones that are similar to the proposed cannabis businesses; therefore construction activities associated with a new cannabis business are consistent with impacts previously considered and evaluated in the City’s adopted Zoning Ordinance and General Plan. Therefore, impacts would be less than significant.

d. through f.

Future commercial cannabis activities permitted under the proposed project would typically be in existing or renovated buildings that would have pavement and landscaping; therefore, there would be no potential for erosion or loss of topsoil. Future new development must comply with CBC requirements pertaining to soil erosion, soil stability, and expansive soils, as well as BMPs. Additionally, future new development must comply with Chapter 15.36, Grading Regulations, of the CMC, which requires that projects submit a soil engineering report. Recommendations in the geotechnical report(s) are required to be included on grading plans and implemented during project construction activities. According to Section 15.36.290, National Pollution Discharge Elimination System (NPDES), of the CMC, all development projects that disturb 1 or more acres require compliance with the Santa Ana Regional Water Quality Control Board (SARWQCB) requirements, including the requirement to comply with the General Construction Activity Stormwater Permit (general permit); the SARWQCB may also require compliance with individual permits it has issued under the NPDES program. The general permit and individual permits typically require an applicant to file a Notice of Intention, prepare a Stormwater Pollution Prevention Plan (SWPPP), and implement a Monitoring Program.

The SWPPP would consider the full range of erosion-control BMPs, including any additional site-specific and seasonal conditions. Erosion-control BMPs would be established as part of the SWPPP, and may include covering disturbed or stockpiled soil, using dust-inhibiting material, installing landscaping, using straw and jute to slow and channelize stormwater runoff, hydroseeding, and grading in a pattern that slows stormwater flow. The State General Permit also

Environmental:

requires that those implementing SWPPPs meet prerequisite qualifications that demonstrate the skills, knowledge, and experience necessary to implement such plans. NPDES requirements would significantly reduce the potential for substantial erosion or topsoil to occur in association with new development. Additionally, as stated previously in Section 1, Land Use and Planning, there are uses currently allowed in the M-1 through M-4 zones that are similar to the proposed cannabis businesses; therefore construction activities associated with a new cannabis business are consistent with impacts previously considered and evaluated in the City's adopted Zoning Ordinance and General Plan. Therefore, impacts would be less than significant.

4. HYDROLOGY AND WATER QUALITY:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than significant Impact | No Impact |
|---|--------------------------------|--|-------------------------------------|--------------------------|
| a. Violate water quality standards/waste discharge requirements | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Deplete groundwater supplies | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Alter existing drainage pattern | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Increase flooding hazard | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Degrade surface or ground water quality | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Within 100-year flood hazard area | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| g. Increase exposure to flooding | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| h. Exceed capacity of storm water drainage system | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

a. and e.

Construction

No specific construction-level development is proposed and no physical changes to the environment would directly result from the adoption and implementation of the proposed project. The City anticipates that most cannabis businesses would be within an existing building; therefore, there would be no increase in runoff. Because all business would be conducted inside a building, there is no potential for violation of discharge requirements. Any new construction that could disturb 1 acre or more would be required to comply with the NPDES and create a SWPPP specifying BMPs that would be used by the project to minimize pollution of stormwater, as described in the previous discussion of geologic problems (Sections 3.d through 3.f). According to Section 13.27.120, New Development and Redevelopment, of the CMC, all applicants for discretionary approval of any new development or significant redevelopment shall control all stormwater and urban runoff so as to prevent any illicit discharge and minimize pollutant loads in urban runoff from the project site.

Operation

Operation of all future projects must comply with the NPDES permit discharge requirements. Future projects would also include BMPs to properly manage stormwater flow and prevent stormwater pollution by reducing the potential for contamination at the source. In general, projects must control pollutants, pollutant loads, and runoff volumes from the project site by minimizing the impervious surface area and controlling runoff through infiltration, bioretention, or rainfall harvest and use. Project must incorporate BMPs in accordance with the requirements of the municipal NPDES permit. Future projects under the proposed ordinance would comply with water quality standards, and impacts would be less than significant.

b. Future commercial cannabis activities permitted under the proposed project would be located indoors, typically within existing or renovated buildings. The proposed ordinance does not allow cultivation and no wells would be drilled to provide potable water. All businesses would use existing water supplies from the City of Corona Department of Water and Power and water use would be similar to or less than other uses already allowed in the M-1 through M-4 zones (e.g., other manufacturing and processing uses and restaurants). Because the proposed project would not include well drilling or cultivation, and because water usage would be similar to or less than other allowed industrial uses, impacts would be less than significant.

c., d., g., and h.

Runoff in the city is captured and conveyed by existing storm drain infrastructure and is eventually discharged into the Santa Ana River. Future businesses that would be in existing buildings would not alter the drainage. Surface water drainage for new construction would be controlled by building regulations, such as the CBC and City ordinances (see CMC Section 13.27.120, described above), which would reduce runoff impacts. Hydromodification requirements and standard flood control requirements for new development would minimize impacts of increased flows and volumes on downstream receiving waters. Riverside County Flood Control and Water Conservation District and the City of Corona require as a standard requirement of approval that all new development or significant redevelopment projects complete drainage and hydrology analyses to ensure that on- and off-site drainage facilities can accommodate

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increased stormwater flows. Implementation of these provisions, which include low-impact development design, BMPs, and possible on-site retention basins, would minimize increases in peak-flow rates or runoff volumes. All new development or significant redevelopment project applicants would also be required to prepare a water quality management plan (WQMP) for submittal to the City's Department of Public Works that describes the BMPs and site design measures that will be implemented to minimize storm runoff from the sites. Moreover, future projects would be required to comply with the City and NPDES permit discharge requirements that would also ensure that future projects do not exceed the capacity of stormwater drainage systems or contribute to an increase in flooding. Therefore, impacts would be less than significant.

- f. Portions of the city lie within the 100-year flood zone, including portions of the M-1 through M-4 zones. Future development within such flood areas would be regulated by the CBC and other health and safety regulations adopted by the City to protect against flooding. In addition, all new development would be required to meet federal floodplain regulations, including that the lowest floor of the structure must be raised above the 100-year base flood elevation. This would ensure that future development does not impede or redirect flood flows in a manner that would indirectly and adversely impact surrounding uses. Flood insurance would also be required. Additionally, as stated previously in Section 1, Land Use and Planning, there are uses currently allowed in the M-1 through M-4 zones that are similar to the proposed cannabis businesses; therefore construction activities associated with a new cannabis business are consistent with impacts previously considered and evaluated in the City's adopted Zoning Ordinance and General Plan. Therefore, impacts related to the 100-year flood hazard zone would be less than significant.

5. AIR QUALITY:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|---|--------------------------------|--|-------------------------------------|-------------------------------------|
| a. Conflict with air quality plan | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Violate air quality standard | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Net increase of any criteria pollutant | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Expose sensitive receptors to pollutants | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Create objectionable odors | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

a., b., and c.

Corona is in the South Coast Air Basin (SoCAB), which is under the jurisdiction of the South Coast Air Quality Management District (SCAQMD). The 2016 Air Quality Management Plan (AQMP) for SoCAB contains air pollutant reduction strategies based on the Southern California Association of Governments’ (SCAG’s) latest growth forecasts; SCAG’s growth forecasts were defined with reference to local guidelines. Growth projections from local general plans adopted by cities in the district are provided to SCAG, which develops regional growth forecasts that are used to develop future air quality forecasts for the AQMP.

Construction

Most cannabis businesses would be located within existing buildings, and therefore air quality impacts from construction would not occur. However, construction associated with future development would generate short-term emissions of criteria air pollutants. Construction-generated emissions are short term and of temporary duration, lasting as long as construction activities occur, but are considered a significant air quality impact if the volume of pollutants generated exceeds the SCAQMD’s thresholds of significance. Quantifying potential construction emissions would be speculative at this time. In the event the construction of a new building for a cannabis facility is proposed, the construction is subject to compliance with SCAQMD Rules 402, 403, and 1113, to further reduce specific construction-related emissions. Compliance with SCAQMD Rules are noted on a project’s grading plans prior to the issuance of a grading permit.

Operations

Project-generated operational emissions could also occur from motor vehicle use and area sources, such as the use of landscape maintenance equipment and architectural coatings. Emissions rates differ from summer to winter because weather factors are dependent on the season and these factors affect pollutant mixing, dispersion, ozone formation, and other factors. Operational activities associated with the proposed project would result in emissions of volatile organic compound (VOC), regional organic gases (ROG), oxides of nitrogen (NO_x), carbon monoxide (CO), sulfur oxide (SO_x), particulate matter 10 micrometers or less in diameter (PM₁₀), and particulate matter 2.5 micrometers or less in diameter (PM_{2.5}). Traffic generation rates for cannabis businesses are similar to or less than other uses permitted in the M-1 through M-4 zones (e.g., automobile sales, automobile service stations, medical and dental offices, and restaurants). Area source emissions related to cannabis businesses would also be similar to those generated by other permitted uses.

The SCAQMD has developed strategies to reduce criteria pollutant emissions, as outlined in the AQMP pursuant to the federal Clean Air Act mandates. Moreover, future development would be required to comply with the City’s 2019 Climate Action Plan (CAP) Update which includes greenhouse gas (GHG) reduction strategies, including energy efficiency improvements that would reduce the heating and cooling requirements for buildings and would also result in a decrease in natural gas use and associated criteria air pollutants, and transportation strategies that would reduce VMT and would result in a reduction in criteria air pollutants. Through compliance with these strategies, future projects would not exceed thresholds by the SCAQMD. Therefore, the proposed ordinance would not conflict with or obstruct implementation of any applicable air quality plan, nor would it violate air quality standards, and a less-than-significant impact would occur.

d. Some land uses are considered more sensitive to air pollution than others due to the types of population groups or activities involved. Sensitive population groups include children, the elderly, the acutely ill, and the chronically ill, especially those with cardiorespiratory diseases. Residential areas are also considered sensitive receptors to air pollution because residents (including children and the elderly) tend to be at home for extended periods of time, resulting in sustained exposure to any pollutants present. Other sensitive receptors include retirement facilities,

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hospitals, and schools. Recreational land uses are considered moderately sensitive to air pollution.

Localized Impacts

Emissions of pollutants during construction activities would be required to comply with SCAQMD rules that apply to construction, as discussed above. Operational activities that generate pollutants include the use of architectural coatings, consumer products, and landscape maintenance equipment that could release emissions. Moreover, criteria pollutant emissions would be emitted through the generation of electricity and consumption of natural gas.

Quantifying localized impacts depends on the specifics of each proposed project. Cannabis businesses generally do not generate more pollutants than other permissible uses in the M-1 through M-4 zones. Unlike most of the other uses allowed in the M-1 through M-4 zones, the proposed project will require future cannabis retailers and storefront retail microbusinesses to be located 1,000 feet from schools, youth centers, daycare centers, parks, and residential zones, while cannabis manufacturers, distributors, testing laboratories, and non-storefront retail microbusinesses would be required to be located 600 feet from the aforementioned sensitive uses.

Carbon Monoxide Hotspots

It has been recognized that CO exceedances are caused by vehicular emissions, primarily when vehicles are idling at intersections. Vehicle emissions standards have become increasingly stringent in the last 20 years. Currently, the CO standard in California is a maximum of 3.4 grams per mile per passenger car (requirements for certain vehicles are more stringent). With the turnover of older vehicles, introduction of cleaner fuels, and implementation of control technology on industrial facilities, CO concentrations have steadily declined.

Accordingly, with the steadily decreasing CO emissions from vehicles, even very busy intersections do not result in exceedances of the CO standard. The 2016 AQMP is the most recent version that addresses CO concentrations. As part of the SCAQMD CO Hotspot Analysis, the Wilshire Boulevard/Veteran Avenue intersection – one of the most congested intersections in Southern California with an average daily traffic (ADT) volume of approximately 100,000 vehicles per day – was modeled for CO concentrations. Future projects would not generate trips in exceedance of what the General Plan projected, as these projects would be compatible with the land use designations, and therefore, would not produce the volume of traffic required to generate a CO hot spot in the context of SCAQMD's CO Hotspot Analysis. Because CO hotspots were not experienced at the Wilshire Boulevard/Veteran Avenue intersection even though it accommodates 100,000 vehicles daily, it can be reasonably inferred that CO hotspots would not be experienced at any vicinity intersections.

Construction-Related Diesel Particulate Matter

Construction of future projects would result in the emission of diesel particulate matter (DPM) from off-road diesel equipment. The amount to which receptors are exposed (a function of concentration and duration of exposure) is the primary factor used to determine health risk (i.e., potential exposure to toxic air contaminant emission levels that exceed applicable standards). Health-related risks associated with diesel-exhaust emissions are primarily linked to long-term exposure and the associated risk of contracting cancer.

Most cannabis businesses are anticipated to be within existing buildings. In the event of construction, the use of diesel-powered construction equipment would be temporary and episodic. The duration of exposure would be short, and exhaust from construction equipment dissipates rapidly. Current models and methodologies for conducting health risk assessments are associated with longer-term exposure periods of 9, 30, and 70 years, which do not correlate well with the temporary and highly variable nature of construction activities.

California Office of Environmental Health Hazard Assessment has not identified short-term health effects from DPM. Construction is temporary and would be transient throughout the proposed project sites (i.e., move from location to location) and would not generate emissions in a fixed location for extended periods of time. Future construction would be subject to and would comply with California regulations limiting the idling of heavy-duty construction equipment to no more than 5 minutes to further reduce nearby sensitive receptors' exposure to temporary and variable DPM emissions. For these reasons, DPM generated by future construction activities, in and of itself, would not expose sensitive receptors to substantial amounts of air toxics.

Additionally, future development would be required to comply with the 2019 CAP, which includes GHG reduction strategies, including energy efficiency improvements that would reduce the heating and cooling requirements for buildings and would also result in a decrease in natural gas use and associated criteria air pollutants, and transportation strategies that would reduce VMT and would result in a reduction in criteria air pollutants. Moreover, Goal 7 of the 2019 CAP directs the City to decrease GHG emissions by reducing VMT, which would thereby reduce CO hotspots. Therefore, future projects would be required to comply with local, state, and federal regulations; no impact to sensitive receptors would occur from implementation of the proposed ordinance.

- e. Potential odors could arise from the use of diesel construction equipment on future project sites, as well as from

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architectural coatings and asphalt off-gassing. Odors generated from the referenced sources are common in an urban environment and are not known to be substantially offensive to adjacent receptors. Additionally, odors generated during construction activities would be temporary and would disperse rapidly.

Section 5.36.170(J), Operating Requirements – All Commercial Cannabis Businesses, of the proposed ordinance requires that each cannabis business be designed and constructed to ensure that all odors generated by the business are contained on the premises, and each cannabis business must have installed on the premises an odor-control system prepared by a registered design professional specializing in such systems.

Therefore, odor impacts would be less than significant.

| 6. TRANSPORTATION/TRAFFIC: | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|---|--------------------------------|--|-------------------------------------|-------------------------------------|
| a. Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Conflict of be inconsistent with CEQA Guidelines section 15064.3, subdivision (b) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Increase the total daily vehicle miles traveled per service population (population plus employment) (VMT/SP) above the baseline level for the jurisdiction | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Cause total daily VMT within the study area to be higher than the No Project alternative under cumulative conditions (General Plan condition) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Change in air traffic patterns | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f. Traffic hazards from design features | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g. Emergency access | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| h. Conflict with alternative transportation policies | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

a. and h.

Under the proposed ordinance, cannabis retailers and storefront retail microbusinesses may be open to the public from 6:00 a.m. to 10:00 p.m.; there are no proposed limits on the hours of operation of other types of cannabis businesses. Traffic generation rates for cannabis businesses are similar to or less than other uses permitted in the M-1 through M-4 zones (e.g., automobile sales, automobile service stations, medical and dental offices, restaurants, and general manufacturing). As all future proposed cannabis businesses would be required to comply with General Plan and Zoning Code densities and standards, as well as the General Plan goals and policies in the Circulation Element.

Therefore, the proposed ordinance would not conflict with an applicable plan, ordinance, or policy addressing the circulation system, including alternative transportation, and impacts would be less than significant.

b., c., and d.

According to CEQA Guidelines, Section 15064.3, subdivision (b), vehicle miles traveled (VMT) exceeding an applicable threshold of significance may indicate a significant impact. The City has adopted a project-level threshold of a no-net increase in VMT per service population compared to existing conditions, and a cumulative threshold of a no-net increase in VMT compared to the 2004 General Plan. The 2019 Corona General Plan Technical Update EIR found that the 2020–2040 General Plan would exceed the project-level threshold because much of the planned growth is in the outlying areas of the city rather than in the city center, which is already built out, and in the Temescal Canyon Planning Area. The project-level impact was found to be significant and unavoidable. The 2019 General Plan EIR also found that the 2020–2040 General Plan would slightly exceed the cumulative threshold; although land uses were not changing between the 2004 General Plan and the 2020–2040 General Plan, an adjustment to reflect a road diet on 6th Street caused the model to assume slightly longer paths of travel. While the increase in VMT forecasted was within the model standard error and likely negligible, cumulative impacts were conservatively considered significant and unavoidable. Because future cannabis businesses would be consistent with the MU-2 (Mixed-Use: Industrial/Commercial), LI (Light Industrial), and GI (General Industrial) General Plan designations, which were evaluated in the 2019 General Plan EIR, the proposed ordinance would not create new or exacerbate existing VMT impacts that were evaluated in the 2019 General Plan EIR. Furthermore, compliance with the City’s CAP, which encourages the use of alternative modes of transportation and the overall reduction in trips, would reduce associated VMT.

In addition, while storefront retail cannabis uses would generate the most VMT of the cannabis business types allowed by the proposed ordinance, such retail uses would predominantly serve the local community. As described in the December 2018 Technical Advisory on Evaluating Transportation Impacts in CEQA prepared by the California Office of Planning and Research, “by adding retail opportunities into the urban fabric and thereby improving retail destination

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proximity, local-serving retail development tends to shorten trips and reduce VMT. Thus, lead agencies generally may presume such development creates a less-than-significant transportation impact.”

Therefore, VMT impacts would be less than significant.

- e. The Corona Municipal Airport is in the northwestern portion of the city. None of the components of the proposed project would result in a change to air traffic patterns, including either a change in traffic levels or a change in location that would result in substantial safety risks. Parcels designated for industrial uses are primarily in Zone D of the Airport Land Use Compatibility Plan (ALUCP), and according to the 2019 General Plan EIR, industrial uses within this zone are considered compatible uses (PlaceWorks 2019). Therefore, no impact would result in this respect.
- f. Most new businesses are anticipated to be in existing buildings that are presumed to meet all City design standards for ingress, egress, and road improvements. Potential new construction associated with the project would be required to comply with City development standards that include sight distance standards for driveways and roadway improvements. As all new construction must comply with City standards, no impact would occur.
- g. Access to all existing and future project sites would be reviewed by the City Community Development Department and Fire Department during development plan check to ensure there is sufficient emergency access provided at the site, as required in Chapter 15.12, Fire Code, of CMC, for compliance with the California Fire Code. Therefore, no impact would occur.

| 7. BIOLOGICAL RESOURCES: | | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|--------------------------|---|--------------------------------|--|-------------------------------------|--------------------------|
| a. | Endangered or threatened species/habitat | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. | Riparian habitat or sensitive natural community | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. | Adversely affects federally protected wetlands | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. | Interferes with wildlife corridors or migratory species | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. | Conflicts with local biological resource policies or ordinances | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. | Conflicts with any habitat conservation plan | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

a. through e.

Most new cannabis businesses expected under the proposed ordinance would be in existing buildings and would therefore have no impact to sensitive biological resources such as wildlife, plant species, wetlands, and riparian habitats. However, future cannabis businesses could result in the construction of new buildings. The sizes and locations of future businesses are unknown at this time; however, such future development could be located on parcels that contain habitat for special-status plant or wildlife species, or adjacent to wetlands, riparian habitats, or other waters of the U.S. Such development could have potentially significant impacts on sensitive biological resources. However, all future projects would be required to comply with local, state, and federal laws pertaining to biological resources. As part of the development review process, the City requires compliance with the Western Riverside Multiple Species Habitat Conservation Plan (MSHCP), in accordance with Chapter 16.33, MSHCP Mitigation Fee, of the CMC. Compliance with site-specific biological evaluation, wetland delineation, pre-construction requirements for sensitive species, and payment of the Western Riverside Multiple Species Habitat Conservation Plan (MSHCP) Stephen's kangaroo rat fees (for projects located in the eastern portion of the city) would reduce impacts to less than significant. As the development process for new construction is well established, and the City already requires compliance with MSHCP, this impact is less than significant.

f. Future projects located within the Western Riverside MSHCP criteria cells and subunits would have to pay applicable fees. Eastern portions of the city, including parcels zoned M-1 through M-4, are located within the Stephen's kangaroo rat fee area and would be required to pay applicable fees and comply with the MSHCP. Therefore, impacts would be less than significant.

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8. MINERAL RESOURCES:

| Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|--------------------------------|--|------------------------------|-----------|
|--------------------------------|--|------------------------------|-----------|

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a. Loss of mineral resource or recovery site | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|

Discussion:

- a. The city is primarily underlain by MRZ-2 lands, which are areas where adequate information indicates that significant mineral deposits are present, or there is a high likelihood that their presence exists (PlaceWorks 2019). Areas designated as regionally significant for construction aggregate are east of I-15, just west of Eagle Valley, and in the Temescal Canyon area of the City's Sphere of Influence (SOI), and are currently being actively mined for mineral resources. Similarly, the majority of classified industrial minerals is located east of I-15, south of El Cerrito, and in the Temescal Canyon area of the SOI, as well as in a small pocket in the western portion of the city. In the City of Corona, mineral resource uses must have a Mineral Resource Overlay. Under the proposed project, cannabis businesses would be allowed on parcels zoned M-1 through M-4 only, and not on industrial zoned parcels with a Mineral Overlay. Additionally, it is expected that most cannabis businesses would operate in existing buildings and would not impact mineral resources. Therefore, no impacts to mineral resources would occur.

9. HAZARDS AND HAZARDOUS MATERIALS:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|---|--------------------------------|--|-------------------------------------|--------------------------|
| a. Transport, use or disposal of hazardous materials | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Risk of accidental release of hazardous materials | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Hazardous materials/emissions within ¼ mile of existing or proposed school | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Located on hazardous materials site | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Conflict with Airport land use plan | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Impair emergency response plans | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| g. Increase risk of wildland fires | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

a. Future cannabis businesses could involve the use of hazardous substances, including, but not limited to, chemical substances that could be used in manufacturing processes. Additionally, construction activities of future cannabis businesses could result in the transport, use, and disposal of hazardous materials, such as gasoline fuels, asphalt, lubricants, toxic solvents, pesticides, and herbicides. The transport, use, storage, and disposal of these materials would need to comply with existing regulations established by several agencies, including the Department of Toxic Substances Control, the US Environmental Protection Agency (EPA), the US Department of Transportation, and the Occupational Safety and Health Administration. Section 5.36.190, Operating Requirements – Additional for Manufacturers, Distributors and Testing Laboratories, of the proposed ordinance requires the submittal of hazardous materials plans (including a hazardous material inventory statement and hazardous material management plan) for manufacturing, distribution, and testing laboratories; such plans are subject to review and approval by the Fire Code Official as required by Chapter 6.5 of Division 20 of the California Health and Safety Code and Chapter 8.40 of the CMC. Additionally, the proposed ordinance requires manufacturing, distribution, and testing laboratories to ensure that any hazardous waste used, possessed, generated, or stored on the premises is properly categorized, segregated, stored, and disposed of in compliance with state cannabis laws and all applicable state and local laws.

Maintenance of future projects may require the use of cleaners, solvents, paints, and other custodial products that are potentially hazardous. The cleaning materials would be used in relatively small quantities, clearly labeled, and would need to be stored in compliance with state and federal requirements.

Future projects would be required to comply with all applicable local, state, and federal regulations during construction and operation of future projects. The Riverside County Department of Environmental Health is the Certified Unified Program Agency (CUPA) for Riverside County and is responsible for consolidating, coordinating, and making consistent the administrative requirements, permits, inspections, and enforcement activities of state standards regarding the transportation, use, and disposal of hazardous materials in Riverside County, including Corona. Compliance with federal, state, and local laws and regulations would result in a less-than-significant impact.

b. Demolition and/or renovations of older structures to accommodate future cannabis businesses could release lead-based paints and/or asbestos-containing material into the environment. However, future projects would be required to comply with existing federal, state, and local regulations to minimize the risk of exposure, such as the EPA Guidance on Conducting Non-Time-Critical Removal Actions Under Comprehensive Environmental Response, Compensation, and Liability Act (CERLA); and the National Oil and Hazardous Substances Pollution Contingency Plan. Additionally, construction projects typically maintain supplies on site for containing and cleaning small spills of hazardous materials. Construction would also use equipment that would bring hazardous materials to future project sites, including diesel, gasoline, paints, solvents, cement, and asphalt. However, construction activities would be conducted in accordance with the SWPPP as part of the NPDES permit (discussed in Section 3, Geologic Problems), if applicable. The primary objective of the SWPPP is to identify, construct, implement, and maintain BMPs to reduce or eliminate pollutants in stormwater discharges and authorize non-stormwater discharges from the construction site. BMPs for hazardous materials include, but are not limited to, off-site refueling, placement of generators on impervious surfaces, and establishing clean out areas for cement. While the risk of exposure to hazardous materials cannot be eliminated, adherence to existing regulations would ensure compliance with safety standards related to the use and storage of hazardous materials and with the safety procedures mandated by applicable federal, state, and local laws and regulations. Compliance with these regulations would ensure that risks resulting from the routine transportation, use,

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storage, or disposal of hazardous materials or hazardous wastes associated with future projects and the potential for accident or upset is less than significant.

- c. The proposed ordinance prohibits the operation of retailers and storefront retail microbusinesses within 1,000 feet of a school and prohibits all other cannabis businesses within 600 feet of a school. Although these separation requirements are less than a quarter-mile, the ordinance also contains odor control, security, fire code requirements, and other standards to minimize impacts. In addition, as described above, future development would be subject to local, state, and federal regulations related to the routine transportation, use, storage, and disposal of hazardous materials and hazardous wastes, resulting in a less-than-significant impact.
- d. According to Figure 5.9-1 of the 2019 General Plan EIR, there are several open cases of hazardous materials cleanup sites located in industrial zones, predominantly in the eastern portion of the city. According to the 2019 General Plan EIR, any development, redevelopment, or reuse on or next to hazardous materials sites would require an environmental site assessment to ensure future projects would not disturb hazardous materials sites or plumes of hazardous materials diffusing from one of the hazardous materials sites, and that proposed development, redevelopment, or reuse would not create a substantial hazard to the public or the environment; each development project involving a purchase or lease would have a Phase I Environmental Site Assessment (ESA) conducted for the site. Future businesses located on these sites would be subject to state and federal regulations, as well as the 2020–2040 General Plan Policies PS-3.5 and PS-3.8 which require working with responsible entities to ensure proper cleanup and require property owners of contaminated sites to develop and implement a site remediation plan. Therefore, impacts would be less than significant.
- e. The Corona Municipal Airport is in the northwestern portion of the city, and portions of the M-1 through M-4 zones are located within the Airport Influence Area Boundary. All future commercial cannabis activities permitted under the proposed project would be required to adhere to Federal Aviation Regulations Title 14, Part 77, which establishes standards and notification requirements for objects affecting navigable airspace, and height restrictions outlined in the ALUCP for the Corona Municipal Airport. Additionally, as indicated in the 2019 General Plan EIR, parcels designated for industrial uses are primarily in Zone D of the ALUCP, and industrial uses within this zone are considered compatible uses; prohibited uses in Zone D include highly noise-sensitive outdoor nonresidential uses and hazards to flight. Therefore, impacts would be less than significant.
- f. Future cannabis businesses would be located within zoning districts that are currently designated for urban uses, and it is anticipated that most future businesses would be located indoors, typically within existing or renovated buildings. The proposed ordinance would not result in changes to the existing roadway circulation pattern and access. To ensure compliance with zoning, building, and fire codes, future project applicants would be required to submit appropriate plans for review prior to issuance of a building permit. Adherence to these requirements would ensure that future projects would not have a significant impact on emergency response and evacuation plans. Impacts would be less than significant.
- g. The western and southern portions of the city are within high and very-high fire hazard zones. No parcels zoned for industrial uses are within these fire hazard zones; however, industrially zoned parcels in the eastern portion of the city are adjacent to fire hazard zones in the SOI. Existing development would not change the current wildfire exposure. Future new development would be subject to compliance with the CBC and the California Fire Code. The California Fire Code (Part 9 of Title 24 of the California Code of Regulations) includes Section 4905.2, Construction Methods and Requirements within Established Limits. Fire Code Chapter 49 cites specific requirements for wildland-urban interface areas that include, but are not limited to, providing defensible space and hazardous vegetation and fuel management. With code compliance, impacts are considered less than significant.

10. NOISE:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|---|--------------------------------|--|-------------------------------------|--------------------------|
| a. Exceed noise level standards | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Exposure to excessive noise levels/vibrations | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Permanent increase in ambient noise levels | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Temporary increase in ambient noise levels | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Conflict with Airport Land Use Plan noise contours | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

a. and b.

Future commercial cannabis activities permitted under the proposed project would be located indoors, typically within existing buildings. No construction for new buildings is proposed and no physical changes to the environment would directly result from the adoption and implementation of the proposed project. All future new construction and operational activities of future cannabis uses and any associated development and redevelopment would be required to comply with noise and vibration regulations pursuant to CMC Section 17.84.040, Noise, and Section 17.84.050, Vibration. Cannabis retailers and storefront retail microbusinesses under the proposed project would be allowed to operate between the hours of 6 a.m. to 10 p.m.. CMC Section 17.84.040 establishes exterior noise levels for commercial uses operating between 7 a.m. to 10 p.m., which is a maximum of 65 A-weighted decibels (dBA), and 60 dBA for commercial uses operating between 10 p.m. to 7 a.m.. Furthermore, retailers and storefront retail microbusinesses would be required to be located at least 1,000 feet from sensitive uses and all other cannabis businesses would be required to be located at least 600 feet from sensitive uses. Given CMC regulations and proposed limitations on hours of operation and separation requirements from sensitive uses, noise standards and noise exposure impacts would be less than significant.

c. As discussed above, the proposed project would not expose people to or generate noise in excess of noise standards. Increased traffic associated with future cannabis uses has the potential to generate a permanent increase in ambient noise levels. However, the proposed cannabis ordinance would not change the allowed density or intensity of future development from what was analyzed in the 2019 General Plan EIR, and, as discussed in Section 6, Transportation/Traffic, traffic generation rates for cannabis businesses are similar to or less than other uses permitted in the M-1 through M-4 zones (e.g., automobile sales, automobile service stations, medical and dental offices, restaurants, and general manufacturing). Therefore, the proposed project would not increase potential traffic noise from what was previously evaluated in the 2019 General Plan EIR. The 2019 General Plan EIR found a less-than-significant impact on traffic noise levels.

Other permanent noise increases could result from on-site mobile noise, mechanical equipment, and parking area noise. Such on-site noises would be similar to other uses allowed in the industrial zoning districts, and, as discussed above, cannabis businesses would be subject to CMC Section 17.84.040, Noise, which would ensure noise levels do not exceed noise standards. Therefore, impacts would be less than significant.

d. All construction activities that have the potential to create a substantial temporary increase in ambient noise would be required to comply with the noise and vibration regulations pursuant to CMC Sections 17.84.040, Noise, and 17.84.050, Vibration, respectively. Additionally, as stated in CMC Section 17.84.040, construction noise is prohibited between 8 p.m. and 7 a.m. Monday through Saturday, and 6 p.m. to 10 a.m. on Sundays and federal holidays. Therefore, temporary noise impacts would be less than significant.

e. As stated in the 2019 General Plan EIR, the 65 dBA noise contour does not extend past the airport boundary, and noise exposure areas of 55 dBA only extend past a portion of industrial uses immediately surrounding the airport. Pursuant to the 2020–2040 General Plan Policy N-4.4, all development in the vicinity of the airport must comply with the noise standards in the Airport Master Plan. Therefore, impacts would be less than significant.

11. PUBLIC SERVICES:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|--|--------------------------------|--|-------------------------------------|-------------------------------------|
| a. Fire protection | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Police protection | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Schools | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Parks & recreation facilities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Other public facilities or services | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

a. and b.

The Corona Fire Department provides fire prevention and fire operations services. The Fire Prevention division is responsible for reviewing development site plans and site construction inspections in addition to reviewing interior tenant improvements to existing buildings and the occupancy of the building. The Fire Prevention division also performs annual building inspections to ensure businesses are operating in compliance within the assigned occupancy class of the building. The Fire Operations division responds to fires, medical emergencies, and hazardous conditions. Fire operations are divided into fire response zones within the city and operate from seven fire stations strategically located throughout the city. The fire response zones are designed to provide emergency response times that are consistent with the 2020–2040 General Plan Policy PS-8.7.

Future cannabis businesses would be required to complete the City’s plan check process, which includes the review by Corona’s Fire Prevention division to ensure compliance with CMC Chapter 15.12, Fire Code. Corona’s Fire Operations are operating from the City’s existing fire stations and the fire personnel assigned to these stations are currently providing emergency response to the City’s industrial zones identified for the proposed project. The City’s M-1 through M-4 zones allows for various types of industries that include general manufacturing, laboratories, pharmaceutical manufacturing, and certain types of retail uses, to which cannabis businesses would be similar in nature. Therefore, the proposed project would not impact Corona Fire Department facilities.

The Corona Police Department operates four police response zones within the city. The volume of service calls in each zone will vary because of the demographic of each zone. All four police zones include portions of the City’s M-1 through M-4 zones. Cannabis businesses are expected to operate in existing buildings within the M-1 through M-4 zones. If new buildings are proposed for a cannabis facility, the construction of future buildings would be required to adhere to the City’s municipal code for site development standards, the proposed Commercial Cannabis Ordinance proposed by Chapter 5.36, and state regulations. The proposed project itself would not require the construction of additional police facilities. The need for additional police services and facilities are continually evaluated based on development, population growth and calls for service. This evaluation is done over time based on the rate of growth and development. Additionally, under proposed Section 5.36.170, Operating Requirements - All Commercial Cannabis Businesses, of the proposed ordinance, future cannabis businesses would be required to install and monitor video surveillance and alarm systems, comply with a Police Chief-approved security plan, and be in compliance with the City’s other security requirements outlined in CMC Chapter 15.52, Security Provisions.

Permits related to future cannabis businesses would be reviewed by the police and fire departments to ensure compliance with applicable codes and safety requirements. Therefore, compliance with state and local regulations, including the provisions of the proposed ordinance, would reduce impacts to less than significant.

c. through e.

Because the proposed project would not generate new residents, it would not create impacts that would require increased public services related to schools, parks, or other public facilities, nor would it substantially increase the use of existing parks and recreational facilities. In regard to schools, school impact fees apply to new construction, and payment of fees in compliance with Government Code Section 65996 fully mitigates all impacts to school facilities. Therefore, the construction of additional public safety facilities is not required for the proposed project and no impacts would occur.

12. UTILITIES:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|---|--------------------------------|--|-------------------------------------|--------------------------|
| a. Exceed wastewater treatment requirements | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Involve construction/expansion of water or wastewater treatment facilities | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Involve construction/expansion of storm drains | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Sufficient water supplies/compliance with Urban Water Management Plan. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Adequate wastewater treatment capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Adequate landfill capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| g. Comply with solid waste regulations | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

a., b., and e.

The City of Corona Department of Water and Power Wastewater Division is responsible for the wastewater collection system within the city. The City operates three wastewater treatment plants – Water Reclamation Facility 1 (WRF 1) consists of preliminary treatment, two secondary treatment facilities (Plant 1A and 1B), and a tertiary treatment facility; WRF 2 provides primary and secondary treatment; WRF 3 provides Title 22 reclaimed water use. The City has a current treatment capacity of 15.5 million gallons per day (MGD) and a future treatment capacity (2040) of 18 MGD (PlaceWorks 2019). The City also has capacity in the Western Riverside County Regional Wastewater Authority (WRCRWA) Plant. With the WRCWA, the City has a current treatment capacity of 16.87 MGD and a future treatment capacity of 20.62 MGD. The average existing sewer flows in the City are 15.3 MGD and the future sewer flows are anticipated to be 17.1 MGD upon full buildout of the General Plan, an increase of 1.8 MGD or 12 percent (PlaceWorks 2019). The future sewer flows would not exceed the future capacity of the WRF. Because the proposed project would not change the General Plan land use or zoning designations, sewage generation under the proposed project would be consistent with the conclusion in the 2019 General Plan EIR, which found that sewage treatment would be within the capacity of the WRF. Additionally, as indicated in the proposed ordinance, if required by the Department of Water and Power for approval for commercial cannabis permits issued for manufacturing, distribution, or testing laboratories, the permittee must ensure that the cannabis business complies with all wastewater pre-treatment requirements set forth in CMC Chapter 13.08, Public Sewerage System Waste Regulations, and any other applicable federal, state, or local regulations. Therefore, impacts would be less than significant.

c. The City’s storm drainage system is made up of six main storm drain facilities – Temescal Canyon Wash, Oak Street Channel, Main Street Channel, Arlington Channel, South Norco Storm Drain, and North Norco Storm Drain. Future cannabis businesses permitted under the proposed project would be located indoors, typically within existing buildings that have existing storm drain systems, and therefore, would not require the construction of new systems. No specific construction-level development is proposed and no physical changes to the environment would directly result from the adoption and implementation of the proposed project. As such, the proposed project would not generate any specific development projects that would have the potential to exceed the capacity of stormwater facilities. Future new construction would be subject to project-level review as appropriate under CEQA, further ensuring that impacts related to adequate stormwater capacity would be addressed. Therefore, impacts would be less than significant.

d. The City receives water from two main sources: groundwater sources from three basins (Coldwater Basin, Temescal Basin, and Bedford Basin) managed by the City Department of Water and Power, and imported water from the Western Municipal Water District (WMWD). According to the 2019 General Plan EIR, the City would have adequate water supply to accommodate buildout. Because the proposed project would not change the General Plan land use or zoning designations, water demand under the proposed project would be consistent with the analysis in the 2019 General Plan EIR, which found that there would be adequate supply. Impacts would be less than significant.

Environmental:

f. through g.

The City of Corona contracts with Waste Management Inc. (WMI) for trash and recycling services. In 2018, approximately 98 percent of solid waste landfilled from the city was disposed at El Sobrante Landfill and Olinda Alpha Landfill. Combined, the landfills have a maximum daily permitted tonnage of 24,054 tons and a remaining capacity of 178,177,170 cubic yards (PlaceWorks 2019). The 2019 General Plan EIR found that there is adequate landfill capacity in the region for solid waste that would be generated by land uses allowed by the 2020–2040 General Plan. The proposed project would not change zoning or land use designations; therefore, it would not exceed the projected solid waste generation that was evaluated in the General Plan EIR.

In addition, according to the proposed project, manufacturing, distribution, or testing laboratories are required to ensure that any hazardous waste used, possessed, generated, or stored on the premises is properly categorized, segregated, stored, and disposed of in compliance with the state cannabis laws and all applicable state and local laws. Moreover, the proposed ordinance states that no cannabis products may be disposed of in its packaging, and that cannabis must be removed and separated from its packaging prior to disposal. These requirements would help to ensure that solid waste regulations are met.

Therefore, impacts related to landfill capacity and solid waste regulations would be less than significant.

13. AESTHETICS:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|---|--------------------------------|--|-------------------------------------|--------------------------|
| a. Scenic vista or highway | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Degrade visual character of site & surroundings | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Light or glare | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Scenic resources (forest land, historic buildings within state scenic highway) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

a., b, and d.

Corona features scenic mountain views of Chino Hills State Park and Prado Basin to the northwest, San Bernardino Mountains to the north, Cleveland National Forest to the west, Santa Ana Mountains to the south, and Gavilan Hills to the east. Roads that traverse Corona provide scenic views of the city, its hillsides, and environments. The City has designated scenic corridors; however, parcels adjacent to these corridors are not zoned M-1 through M-4, so cannabis businesses would not be allowed along these scenic corridors. I-15 and SR-91 are state-eligible scenic highways but are not officially designated.

Future cannabis businesses would be located indoors, typically within existing buildings, avoiding impacts to scenic vistas and highways and visual quality. However, future development that could occur in the community associated with cannabis businesses could impact the visual character or quality of an individual site. Future development would be required to comply with the City’s Design Guidelines and Standards, General Plan, and Zoning Code, which all establish requirements for compatibility with the existing development pattern and character of the area. Compliance with these standards would ensure that future development would feature quality design and architecture and would be compatible with the character of adjacent uses (see also Section 1b, Land Use and Planning). In addition, the proposed ordinance sets regulations for hours of operation, outdoor storage and display of cannabis products, and views from the public right-of-way. Compliance with these regulations and standards would reduce impacts to a less-than-significant level.

c. Sources of new and increased nighttime lighting and illumination include, but are not limited to, lights associated with vehicular travel (e.g., car headlights), street lighting, parking lot lights, exterior lighting for the buildings, and security-related lighting. Most new businesses expected under the proposed ordinance would be in existing buildings and would have no impact with respect to significant light and glare. Construction of future development would include the addition of new exterior lights. However, CMC Section 17.84.070 requires that all areas of exterior lighting be designed to direct light downward with minimal spillover onto adjacent residences, sensitive land uses, and open space. Meanwhile, the City’s Industrial Design Guidelines indicate that exterior lighting should be located and designed to minimize direct glare beyond the parking lot or service area.

Under the proposed ordinance, future cannabis retailers and storefront microbusinesses would be subject to exterior lighting requirements to promote public safety, including illumination requirements for all off-street parking areas, paths of travel, and building entrances to the premises during all hours of darkness; however, these requirements also state that lighting systems must be directed downward.

Compliance with the City’s existing light and glare standards would ensure impacts are less than significant.

14. CULTURAL RESOURCES:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|--|--------------------------------|--|-------------------------------------|--------------------------|
| a. Historical resource | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Archaeological resource | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Paleontological resource or unique geologic feature | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Disturb human remains | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

- a. CEQA Guidelines, Section 15064.5, defines historic resources as resources listed or determined to be eligible for listing by the State Historical Resources Commission, a local register of historical resources, or lead agency. Generally, a resource is considered “historically significant” if it meets one of the following criteria:
 - i. It is associated with events that have made a significant contribution to the broad patterns of California’s history and cultural heritage;
 - ii. It is associated with the lives of persons important in our past;
 - iii. It embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values; or
 - iv. It has yielded, or may be likely to yield, information important in prehistory or history.

There is a possibility that future cannabis businesses could impact historic resources by removing or altering the exterior appearance of such resources; as such, this would be a potentially significant impact. However, all future projects would be required to obtain building permits from the City prior to making modifications. City staff would ensure compliance with state laws and the City’s 2020–2040 General Plan policies that protect historical resources, including General Plan Policy HR-2.5, which requires all modifications to historic properties to be consistent with the Secretary of the Interior’s “Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings” or “Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.” Such modifications would also be subject to the City’s Design Guidelines for Historic Buildings, which provide guidance for how to upgrade historic buildings in a way that preserves the distinguishing characteristics and historical character of the property. Therefore, impacts would be less than significant.

- b. Archaeological resources are prehistoric or historic evidence of past human activities, including structural ruins and buried resources. Future cannabis projects that would be in existing buildings would have no impact on archaeological resources. Nonetheless, ground-disturbing activities from development associated with future cannabis businesses could impact archaeological resources; however, site-specific review and compliance with the 2020–2040 General Plan policies that pertain to archaeological resources would ensure these resources are protected. General Plan Policy HR-3.3 requires that archaeological resources found prior to or during construction be evaluated by a qualified archaeologist and appropriate mitigation measures applied, pursuant to Section 21083.2 of CEQA, before the resumption of development activities. Any measures applied must include the preparation of a report meeting professional standards, which must be submitted to the appropriate California Historic Resources Information System (CHRIS) center. In addition, Policy HR-3.4 requires that any project that involves earth-disturbing activities in an area determined to be archaeologically or culturally sensitive include evaluation of the site by a qualified archaeologist, and that the applicant implement the recommendations of the archaeologist, subject to the approval of the City. As such, impacts would be less than significant.
- c. Paleontological resources are fossilized remains of past life on earth, such as bones, shells, leaves, tracks, burrows, and impressions. Future cannabis projects that would be in existing buildings would have no impact on paleontological resources. Ground-disturbing activities from development associated with future cannabis businesses could impact paleontological resources. However, site-specific review and compliance with the 2020–2040 General Plan policies that pertain to paleontological resources would ensure these resources are protected. In particular, General Plan Policy HR-3.6 requires that any project that involves earth-disturbing activities in soil or rock units known or reasonably suspected to be fossil-bearing require monitoring by a qualified paleontologist retained by the project applicant for the duration of excavation or trenching. In addition, Policy HR-3.7 requires that any paleontological resources found prior to or during construction be evaluated by a qualified paleontologist, and appropriate mitigation measures applied, pursuant to Section 21083.2 of CEQA, before the resumption of development activities. Any measures applied must include the preparation of a report meeting professional standards, which must be submitted to the Riverside County

Environmental:

Museum of Natural History. As such, impacts would be less than significant.

- d. Future cannabis projects that would be in existing buildings would have no impact on human remains. However, future projects could involve ground-disturbing activities, such as grading and excavation below the surface. California Health and Safety Code Section 70520.5 requires that in the event that human remains are discovered within a project site, disturbance of the site shall halt and remain halted until the coroner has conducted an investigation into the circumstances, manner, and cause of any death, and the recommendations concerning the treatment and disposition of the human remains have been made to the person responsible for the excavation, or to his or her authorized representative. If the coroner determines that the remains are not subject to his or her authority and if the coroner recognizes or has reason to believe the human remains are those of a Native American, he or she shall call the Native American Heritage Commission within 24 hours. These state regulations are also reflected in the City's 2020–2040 General Plan Policy HR-3.8. Because future development projects would be required to comply with these existing laws, potential impacts to human remains would be less than significant.

15. AGRICULTURE RESOURCES:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
|--|--------------------------------|--|------------------------------|-----------|

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a. Williamson Act contract | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Conversion of farmland to nonagricultural use | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

- a. There are no Williamson Act contracted lands within the city. Therefore, no impact would occur.
- b. Vacant portions of the city that are zoned M-1 through M-4 contain grazing land and farmland of local importance, primarily the industrial parcels in the eastern portion of the city. It is expected that cannabis businesses would typically operate in existing buildings, and therefore have no impact on agricultural land. However, some new construction may be required for future cannabis businesses, which could occur on grazing land or farmland of local importance.

The 2019 General Plan EIR found a significant and unavoidable impact related to the conversion of farmland to nonagricultural uses. According to the Findings and Statement of Overriding Considerations prepared for the General Plan EIR, all the farmland that would be converted to nonagricultural use throughout the buildout of the General Plan is either adjacent to or completely surrounded by urban development. Because the proposed project would not change the land use designations that we evaluated in the 2019 General Plan EIR, the proposed ordinance would not create a new or exacerbate the existing agriculture impacts that were evaluated in the 2019 General Plan EIR. Therefore, impacts would be less than significant.

16. GREENHOUSE GAS:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|---|--------------------------------|--|-------------------------------------|--------------------------|
| a. Generate greenhouse gases | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Conflict with a plan, policy or regulation | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

- a. Manufacturing, distribution, and testing operations could generate greenhouse gas (GHG) emissions through the use of machinery, such as that used to extract cannabinoids, or through vehicles used to transport materials and products. Retail cannabis operations could also generate GHG emissions through associated vehicular use. However, as discussed in Section 1a, Land Use and Planning, cannabis businesses allowed under the proposed ordinance are similar to other uses already allowed in the M-1 through M-4 zones. Cannabis uses would generate similar GHG emissions as operational activities from other allowed (non-cannabis) uses in these zones, such as other types of retail sales, delivery services, processing and manufacturing, warehousing and distribution, and testing laboratories. In addition, as discussed in Section 6, Transportation/Traffic, traffic generation rates for cannabis businesses are similar to or less than other uses permitted in the M-1 through M-4 zones.

As California continues to shift toward increased use of renewable and zero-emission electricity sources under Assembly Bill (AB) 32 and Executive Order S-3-05, GHG emissions from future business operations, including from cannabis business operations, would continue to reduce. The 2019 California Green Building Code is a comprehensive program of cost-effective reductions of GHGs to 1990 levels by 2020. The 2019 California Green Building Code provides nonresidential mandatory measures in the areas of energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality, helping to reduce GHG emissions.

The 2019 General Plan EIR found that the 2020–2040 General Plan would result in a decrease in GHG emissions in 2040 compared to the baseline, and is projected to meet the GHG reduction target established under AB 32, but that the General Plan may not meet the state’s long-term GHG reduction goal under Executive Order S-03-05, resulting in a significant and unavoidable impact. Because future cannabis businesses would be consistent with the MU-2 (Mixed Use: Industrial/Commercial), LI (Light Industrial), and GI (General Industrial) General Plan designations, which were evaluated in the 2019 General Plan EIR, the proposed ordinance would not create a new or exacerbate the existing GHG impacts that were evaluated in the 2019 General Plan EIR. Moreover, future projects would be subject to the CAP’s GHG reduction strategies, including the transportation measures and energy efficiency improvements (reducing heating/cooling, increasing water efficiency, and reducing energy demand), which would reduce GHG emissions.

Therefore, GHG impacts would be less than significant.

- b. Future cannabis businesses would be subject to the GHG reduction measures included in the City’s CAP, which include strategies geared toward transportation and energy efficiency improvements. All new construction would also be subject to compliance with all building codes in effect at the time of construction, which include energy conservation measures mandated by California Building Standards Code Title 24 – Energy Efficiency Standards. Because Title 24 standards require energy conservation features in new construction (e.g., high-efficiency heating, ventilating, and air-conditioning (HVAC) systems; thermal insulation; double-glazed windows; water-conserving plumbing fixtures), they indirectly regulate and reduce GHG emissions. California’s Building Energy Efficiency Standards are updated on an approximately three-year cycle.

The 2019 General Plan EIR found that the 2020–2040 General Plan would not conflict with applicable regional and state plans adopted for the purpose of reducing GHG emissions, including the California Air Resources Board’s (CARB) Scoping Plan and SCAG’s 2016–2040 Regional Transportation Plan/Sustainable Communities Plan (RTP/SCS). An analysis showing the General Plan’s consistency with these regional and state plans is presented in the 2019 General Plan EIR, demonstrating that the General Plan would not obstruct implementation of the CARB Scoping Plan or SCAG RTP/SCS. The proposed ordinance does not include changes to the General Plan land use plan, and future cannabis businesses would be subject to 2020–2040 General Plan policies and 2019 CAP measures that reduce GHG emissions. Therefore, the proposed ordinance would not conflict with plans, policies, or regulations adopted for the purpose of reducing GHG emissions, and the impact would be less than significant.

17. TRIBAL CULTURAL RESOURCES

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|--|--------------------------------|--|------------------------------|-----------|
|--|--------------------------------|--|------------------------------|-----------|

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion:

a. and b.

Public Resources Code Section 21080.3.1 (AB 52) requires a formal consultation process for California tribes within the CEQA process. The Bill specifies that any project that may affect or cause a substantial adverse change in the significance of a tribal cultural resource would require a lead agency to “begin consultation with a California Native American tribe that is traditionally- and culturally-affiliated with the geographic area of the proposed project.” Section 21074 of AB 52 also defines tribal cultural resources as sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe and that are either listed on, or eligible for, the California Register of Historical Resources or a local historic register, or the lead agency chooses to treat the resource as a significant resource. The City notified tribes that requested to be alerted of new projects on June 25, 2020. On June 26, 2020, the Rincon Band of Luiseno Indians stated that they had no questions but asked to be notified and involved in the entire CEQA environmental review process for the entirety of the proposed project’s duration. No other tribes responded to the notification.

Future cannabis businesses located in existing buildings would not have a significant impact on tribal cultural resources as no ground disturbance would occur. The requirements of State law and local policies and ordinances would apply to any future development activities carried out pursuant to the proposed ordinance and would provide adequate protection of resources and guidance to property owners and/or project applicants in the event of unexpected discovery of resources during ground-disturbing activities. For example, the 2020–2040 General Plan Policy HR-3.5 requires that any project that involves earth-disturbing activities in an area determined to be archaeologically or culturally sensitive require consultation by the applicant with interested federally recognized Native American tribe(s) that have a traditional cultural affiliation with the project area and/or the resources affected by the project, for the purposes of determining resource impacts and appropriate mitigation to address such impacts. Applicant must also arrange for monitoring of earth-disturbing activities by interested federally recognized Native American tribe(s) that have a traditional cultural affiliation with the project area and/or the resources affected by the project, if requested. Therefore, impacts are considered less than significant.

18. MANDATORY FINDING OF SIGNIFICANCE:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|---|--------------------------------|--|-------------------------------------|-------------------------------------|
| a. Fish/ wildlife population or habitat or important historical sites | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Cumulatively considerable impacts | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Substantial adverse effects on humans | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Short-term vs. long-term goals | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Discussion:

- a. Based on the evaluations and discussion in this initial study, changes to the environment have already occurred with the construction of buildings in the M-1 through M-4 industrial zones. Future cannabis businesses within these existing buildings would not incrementally degrade the environment as all activities would occur inside the existing building. Tenant improvements may modify existing buildings, but such modifications are not expected to result in environmental impacts and would be exempt from CEQA. Any new construction would need to comply with the City’s development review process and could be subject to future CEQA review. As discussed in Section 7, Biological Resources, all future projects would be required to comply with local, state, and federal laws pertaining to biological resources, and as part of the development review process, the City requires compliance with the MSHCP. As described in Section 14.a, Cultural Resources, any modifications to historic properties would be required to be consistent with the Secretary of the Interior’s “Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings” or “Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.” Therefore, impacts on fish or wildlife populations or habitat or on important historical sites would be less than significant.
- b. The proposed project would not have adverse impacts that are individually limited, but cumulatively considerable. The proposed ordinance would be applied citywide, and the analysis in this initial study encompasses all potential future cannabis businesses permitted in the city under the project. Except traffic and traffic-related impacts (e.g., air quality, GHG emissions, and noise), effects of cannabis activities are localized to the specific locations of the use and the immediately surrounding area. Traffic and traffic-related impacts evaluated in this initial study consider cumulative impacts because they are based on the 2019 General Plan EIR traffic analysis, which relied on the regional traffic model. Therefore, a less-than-significant impact would occur.
- c. As discussed throughout this document, the proposed ordinance does not have the potential to significantly adversely affect humans, either directly or indirectly. Implementation of the proposed project would regulate future cannabis activities and ensure compliance with applicable regulations that protect human health and welfare. Therefore, a less-than-significant impact would occur.
- d. The proposed project is consistent with 2020-2040 General Plan Goal LU-12, which supports providing a wide range of employment opportunities and sufficient goods, services, and revenues to sustain the City’s economy, and Policy LU-12.4 states that the city shall encourage reuse of “...underutilized, vacant, or obsolete industrial buildings with higher value uses...”. The use of existing industrial buildings is consistent with the sustainability goals of the City, and the potential future construction will be consistent with the 2019 CAP and the CMC. All development must be consistent with the General Plan that establishes the long-term goals of the City. There is nothing associated with the retail sale, manufacturing, distribution, or testing of cannabis as regulated by the state, and permitted by the proposed project, that is considered a short-term goal. Therefore, there is no impact.

19. WILDFIRE:

| | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|---|--------------------------------|--|-------------------------------------|--------------------------|
| a. Substantially impair an adopted emergency response plan or emergency evacuation plan | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Due to slope, prevailing wind, and other factors, exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from wildfire or the uncontrolled spread of a wildfire | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water resources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability or drainage changes | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion

- a. California Government Code Chapter 6.8 directs the California Department of Forestry and Fire Protection (CALFIRE) to identify areas of very high-fire hazard severity within Local Responsibility Areas (LRAs). Mapping of the areas, referred to as Very High-Fire Hazard Severity Zones (VHFHSZ), is based on data and models of potential fuels over a 30- to 50-year time horizon and their associated expected fire behavior and expected burn probabilities, which quantifies the likelihood and nature of vegetation fire exposure to buildings. LRA VHFHSZ maps were initially developed in the mid-1990s and are now being updated based on improved science, mapping techniques, and data. In 2008, the California Building Standards Commission adopted CBC Chapter 7A requiring new buildings in VHFHSZ to use ignition-resistant construction methods and materials.

The western and southern portions of the City are within high- and very high-fire hazard zones. No parcels zoned for industrial uses are within these areas; however, parcels located on the eastern portion of the city are adjacent to fire hazard zones in the SOI. Existing development would not change the current wildfire exposure. Future new development would be subject to compliance with the CBC and the California Fire Code. The California Fire Code (Part 9 of Title 24 of the California Code of Regulations) includes Section 4905.2, Construction Methods and Requirements within Established Limits. Fire Code Chapter 49 cites specific requirements for wildland-urban interface areas that include, but are not limited to, providing defensible space and hazardous vegetation and fuel management.

In addition, as described in Section 9.f, Hazards and Hazardous Materials, future cannabis businesses would be located within zoning districts that are currently designated for urban uses, and it is anticipated that most future businesses would be located indoors, typically within existing or renovated buildings. The proposed ordinance would not result in changes to the existing roadway circulation pattern and access. To ensure compliance with zoning, building, and fire codes, future project applicants would be required to submit appropriate plans for plan review, such as a traffic control plan, to applicable agencies, prior to issuance of a building permit. Adherence to these requirements would ensure that future projects would not have a significant impact on emergency response and evacuation plans. Impacts would be less than significant.

- b. It is anticipated that future cannabis businesses would typically locate within existing buildings. Any future development associated with cannabis businesses permitted by the proposed ordinance would likely reduce the amount of exposed vegetation that could be used as fuel on a project site. Such projects would also be in generally urbanized portions of the city (i.e., within the M-1 through M-4 zones), where wildfire risk is generally lower. Additionally, all development on future project sites would be subject to compliance with the CBC. Moreover, the proposed ordinance requires compliance with the California Fire and Building Codes, which would reduce impacts to less than significant.
- c. As described previously, while future cannabis businesses would typically locate within existing buildings, new development may occur, which could require expansion of and connection to utilities such as electricity, water, and sewer. Future project applicants are required to pay for connections and maintenance of on-site utilities infrastructure. The utilities would be installed to meet service requirements, and therefore, would not directly increase fire risk. Impacts are less than significant.

Environmental:

- d. As discussed in Section 3.a, Geologic Problems, there are landslide hazard areas focused around the city's boundary, and as discussed in Section 4.f, Hydrology and Water Quality, portions of the M-1 through M-4 zones are located within the 100-year flood zone. Future construction activities related to the proposed project would be subject to compliance with the CBC and would include BMPs. BMPs may include, but are not limited to, covering of the soil, use of a dust-inhibiting material, landscaping, use of straw and jute, hydroseeding, and grading in a pattern than slows stormwater flow and reduces the potential for erosion, landslides, and downstream flooding. Operationally, drainage at future project sites would also include BMPs. Therefore, with implementation of BMPs, impacts are less than significant.

| 20. ENERGY: | | Potentially Significant Impact | Potentially Significant Unless Mitigation Incorporated | Less than Significant Impact | No Impact |
|-------------|--|--------------------------------|--|------------------------------|-----------|
|-------------|--|--------------------------------|--|------------------------------|-----------|

- | | | | | | |
|----|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. | Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. | Conflict with or obstruct a state or local plan for renewable energy or energy efficiency | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion

a. **Construction**

The City anticipates that new businesses expected under the proposed ordinance would mostly be in existing buildings, and would consume energy during the construction phase if minor renovations are needed to accommodate new cannabis businesses. During construction of new structures, future projects would consume energy in two general forms: (1) the fuel energy consumed by construction vehicles and equipment; and (2) bound energy in construction materials, such as asphalt, steel, concrete, pipes, and manufactured or processed materials such as lumber and glass.

Construction of future projects would require the use of construction equipment for grading, hauling, and building activities. Electricity use during construction would vary during different phases of construction; for example, most of the construction equipment used during demolition and grading would be gas-powered or diesel-powered, and the later construction phases would require electricity-powered equipment, such as interior construction and architectural coatings. Future construction would also include the vehicles of construction workers traveling to and from a project site and haul trucks for the export of materials from site clearing, if applicable.

The city is served by electricity provided by Southern California Edison (SCE) and natural gas infrastructure provided by the Southern California Gas Company. Future projects would be served by these two providers. As the proposed ordinance would only allow cannabis businesses in the M-1 through M-4 zones, most of which have adequate infrastructure capacity, the electricity and gas demands of future projects would be accommodated, and the addition or expansion of infrastructure would be unlikely.

Construction contractors of future projects would minimize idling of construction equipment during construction, as required by California law, and reduce construction waste by recycling. These required practices would limit wasteful and unnecessary electrical energy consumption. Furthermore, there would be no unusual characteristics that would necessitate the use of construction equipment that is less energy efficient than at comparable construction sites in other parts of the state. Therefore, the short-term construction activities of future cannabis projects would not result in inefficient, wasteful, or unnecessary fuel consumption.

Operation

Operational use of energy from future cannabis businesses would include heating, cooling, and ventilation of buildings; water heating; operation of electrical systems, security, and control center functions; use of on-site equipment and appliances; and indoor, outdoor, perimeter, and parking lot lighting. Future projects would be required to comply with the strategies in the City’s CAP, which include transportation measures and energy efficiency improvements, helping to reduce energy demands.

Electricity and Natural Gas

Most cannabis businesses located in existing buildings would have similar electricity uses as permissible uses in the M-1 through M-4 zones. Cannabis manufacturing, distribution, and testing sites that would be in existing buildings may use more electricity than some other permissible uses in these zones. However, according to the proposed ordinance, as a requirement for approval of manufacturing, distribution, or testing laboratory businesses would be required to submit an electric load study, subject to the discretion of the City Department of Water and Power. Additionally, adherence to the CBC and Green Building Code would ensure that energy use would not be wasteful, inefficient, or unnecessary. Furthermore, prior to final building plan submittal of future projects, applicants would be required to provide project plans to SCE in order to conduct a Method-of-Service Study that determines exact locations of electrical connections at future sites and establishes estimated electricity demand. Additionally, because future projects would be subject to the more stringent 2019 Title 24 standards, future projects’ electricity demands would not result in significant impacts. Finally, while the construction of future projects would result in an increase in gas demands, natural gas use would be limited to building heating or lighting and not constitute wasteful, inefficient, or

Environmental:

unnecessary consumption of natural gas resources. Therefore, impacts are less than significant.

Renewable Energy

Development of future projects would not interfere with the achievement of 60-percent Renewable Portfolio Standard set forth in SB 100 for 2030 or the 100-percent standard for 2045. These goals apply to SCE and other electricity retailers. As electricity retailers reach these goals, emissions from end-user electricity use will decrease from current emission estimates.

Vehicle Miles Traveled and Fuel Consumption

Transportation energy use depends on the type and number of trips, VMT, fuel efficiency of vehicles, and travel mode. Transportation energy used during operation of future businesses would come from delivery, employee, and visitor vehicles that would use diesel fuel and/or gasoline. The use of energy resources by these vehicles would be temporary and would fluctuate throughout the lifespan of the project. As described in Section 6, Transportation/Traffic, cannabis businesses generate similar or less daily trips compared to other permitted land uses within the M-1 through M-4 zones. Impacts are less than significant.

The City of Corona is within SCAG's 2016–2040 RTP/SCS, a long-range visioning plan that balances future mobility and housing needs with economic, environmental, and public health goals. The RTP/SCS sets forth a development pattern for the region, which, when integrated with the transportation network and other transportation measures and policies, would reduce GHG emissions from transportation (excluding goods movement). The RTP/SCS is meant to provide individual jurisdictions with growth strategies that, when taken together, achieve the regional GHG emissions reduction targets. Specifically, the SCS distributes growth forecast data to transportation analysis zones for the purpose of modeling performance. As discussed in Section 16.b, Greenhouse Gas, the 2019 General Plan EIR found that the 2020–2040 General Plan would not conflict with or obstruct implementation of the RTP/SCS. The proposed ordinance does not include changes to the General Plan land use plan, and future cannabis businesses would be subject to the 2020–2040 General Plan policies and 2019 CAP measures that reduce GHG emissions. Therefore, the proposed ordinance would not conflict with the RTP/SCS.

In addition, future cannabis businesses would be subject to the energy-efficiency measures included in the City's CAP, as well as 2019 Title 24, Part 6, standards, which sets standards that improve energy efficiency of newly constructed buildings. Therefore, the project would not conflict with or obstruct a state or local plan for renewable energy or energy efficiency, and the impact is less than significant.

21. PREVIOUS ENVIRONMENTAL ANALYSIS:

Earlier analysis may be used when one or more of the environmental effects have been adequately analyzed in an earlier EIR or Negative Declaration (CEQA Guidelines, Section 15063).

DOCUMENTS INCORPORATED BY REFERENCE:

California Department of Toxic Substances Control (DTSC). EnviroStor 2020. Accessed on July 9, 2020.

https://www.envirostor.dtsc.ca.gov/public/search.asp?page=1&cmd=search&business_name=&main_street_name=&city=&zip=&county=&status=ACT%2CBKLG%2CCOM&branch=&site_type=CSITES%2CFUDS&npl=&funding=&reporttitle=HAZARDOUS+WASTE+AND+SUBSTANCES+SITE+LIST+%28CORTESE%29&reporttype=CORTES E&federal_superfund=&state_response=&voluntary_cleanup=&school_cleanup=&operating=&post_closure=&non_operating=&corrective_action=&tiered_permit=&evaluation=&spec_prog=&national_priority_list=&senate=&congress=&assembly=&critical_pol=&business_type=&case_type=&searchtype=&hwmp_site_type=&cleanup_type=&ocierp=&hwmp=False&permitted=&pc_permitted=&inspections=&complaints=&censustract=&cesdecile=&school_district=&orderby=upper%28business%5Fname%29

U.S. Bureau of Labor Statistics (BLS). 2020. Local Area Unemployment Statistics.

<https://www.bls.gov/web/metro/laummtrk.htm>.

PlaceWorks. 2019, December. Corona General Plan Technical Update Environmental Impact Report (EIR).

<https://www.coronaca.gov/home/showdocument?id=17290>

Appendix A:

Draft Commercial Cannabis Ordinance

CHAPTER 5.36 COMMERCIAL CANNABIS

Sections

| | |
|----------|---|
| 5.36.010 | Purpose. |
| 5.36.020 | Definitions. |
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| 5.36.150 | City permit and permittee - Restrictions on transfer, change or alteration. |
| 5.36.160 | Business premises - Restrictions on transfer, change or alteration. |
| 5.36.170 | Operating requirements - All commercial cannabis businesses. |
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| 5.36.200 | Record keeping. |
| 5.36.210 | Right of access and testing. |
| 5.36.220 | Limitation on city liability. |
| 5.36.230 | Fees and charges. |
| 5.36.240 | Violations and penalties. |

5.36.010 Purpose.

The Adult Use of Marijuana Act (AUMA), adopted by the voters of the state of California in November 2016, decriminalized nonmedicinal cannabis and established a regulatory system for nonmedicinal cannabis businesses in California. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), enacted by the California Legislature in June 2017, established a comprehensive set of laws regulating both individual and commercial medicinal and nonmedicinal cannabis activity throughout the state of California. Under California law, local jurisdictions are authorized to either permit or prohibit the operation of cannabis businesses within their boundaries.

The city now desires to permit, license, and fully regulate commercial cannabis businesses and commercial cannabis activity within the city.

5.36.020 Definitions.

Unless the particular provision of the context otherwise requires, the definitions and provisions contained in this section shall govern the construction, meaning and application of words and phrases used in this chapter. Unless the context otherwise clearly indicates, words used in the singular include the plural and words used in the plural includes the singular.

“**A-License**” means a state license for commercial cannabis activity related to cannabis products for individuals 21 years of age and over without the need for a physician’s recommendation.

“**Applicant**” means the owner or owners applying for a commercial cannabis permit pursuant to this chapter.

“**Backflow preventer**” means a device approved by the General Manager that is designed to keep the undesirable reversal of flow of a liquid, gas, or suspended solid into the city’s potable water supply.

“**Cannabis**” means all parts of the cannabis sativa Linnaeus, cannabis indica, or cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this definition, “Cannabis” does not mean or include industrial hemp.

“**Cannabis concentrate**” means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product’s potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this chapter. Cannabis concentrate does not include any product intended for oral ingestion by the final consumer. A cannabis concentrate is not considered food, as defined by Health and Safety Code Section 109935, or drug, as defined by Health and Safety Code Section 109925.

“**Cannabis product**” means cannabis that has undergone a process whereby the plant material has been concentrated and, with or without the addition of ingredients, been transformed into a product for sale. Cannabis products include but are not limited to: cannabis concentrate, edible cannabis products, topical cannabis, or an inhalant containing cannabis or cannabis product.

“**Cannabis waste**” means waste that is not hazardous waste which contains cannabis and that has been made unusable and unrecognizable in the manner required by the state cannabis laws.

“**City Attorney**” means the City Attorney of the City of Corona, or his/her designee.

“**City Manager**” means the City Manager of the City of Corona, or his/her designee.

“Commercial cannabis activity” means the commercial possession, furnishing, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of cannabis or cannabis products.

“Commercial cannabis business” means any person lawfully engaged in a commercial cannabis activity, which may include businesses operating with an A-License, a M-License or both.

“Commercial cannabis operational agreement” means an agreement entered into by and between the city and the owner(s) of a commercial cannabis business setting forth the terms and conditions under which the commercial cannabis business shall operate, in addition to the requirements of this chapter, the state cannabis laws and all other applicable state and local laws, rules and regulations, and such other terms and conditions that will protect and promote the public health, safety and welfare.

“Commercial cannabis permit” means the regulatory permit issued by the city pursuant to this chapter that authorizes the permittee to operate a commercial cannabis business or engage in a commercial cannabis activity within the city.

“Community Development Director” means the Community Development Director of the City of Corona, or his/her designee.

“Convicted” means a plea or verdict of guilty or a conviction following entry of a plea of no contest, but does not include any plea, verdict or conviction that is expunged pursuant to state or federal law.

“Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis or industrial hemp, other than for personal use as allowed by state law pursuant to the authority described in § 5.36.240(G).

“Day” or “days” means calendar day(s).

“Day care center” has the same meaning as in California Health and Safety Code Section 1596.76, as presently adopted or further amended.

“Delivery” means the commercial transfer of cannabis or cannabis products from a storefront or non-storefront retailer premises to a customer at a physical address. Delivery also includes the use by a storefront retailer or a non-storefront retailer of any technology platform to facilitate delivery.

“Distribution” means the procurement, sale, and transport of cannabis and cannabis products between commercial cannabis businesses.

“Distributor” means a person engaged in distribution.

“DWP General Manager” means the General Manager of the Department of Water and Power for the City of Corona, or his/her designee.

“Edible cannabis product” means a cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in California Food and Agricultural Code Division 15 (commencing with Section 32501). An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

“Fire code official” means the person designated by the Fire Chief pursuant to the California Fire Code and Chapter 15.12 of this code who is charged with the administration and enforcement of the fire code.

“Financial interest” has the same meaning as Section 5004 of Division 42 of Title 16 of the California Code of Regulations, as presently adopted or further amended.

“Hazardous waste” means waste that meets the criteria described in California Public Resources Code § 40191, as presently adopted or further amended.

“Industrial hemp” means a crop that is limited to types of the plant *Cannabis sativa* L. having no more than three-tenths of 1 percent tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom.

“Labor peace agreement” means an agreement between a permittee and any bona fide labor organization that is required by state cannabis laws and this chapter and that, at a minimum, protects public interests with the following provisions: (1) a prohibition on labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with a permittee’s commercial cannabis business; (2) an agreement by the permittee not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the permittee’s employees; access for a bona fide labor organization at reasonable times to areas in which the permittee’s employees work, for the purpose of meeting with employees to discuss their right to representation, employment rights under state law, and terms and conditions of employment. This type of agreement shall not mandate a particular method of election or certification of the bona fide labor organization.

“Limited-access area” means an area in which cannabis and cannabis products are stored or held and is only accessible to a permittee and its employees and authorized persons.

“M-License” means a state license for commercial cannabis activity involving medicinal cannabis for individuals 18 years of age and over with a physician’s recommendation.

“Manager” means any individual person(s) designated by a commercial cannabis business to manage day-to-day operations of the commercial cannabis business or any person acting with

apparent management authority. Evidence of management authority includes, but is not limited to, evidence that the person has the power to direct, supervise, or hire and dismiss employees or volunteers, control hours of operation, create policy rules, or purchase supplies.

“**Manufacture**” or “**manufacturing**” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

“**Manufacturer**” means a person engaged in manufacturing.

“**Medicinal cannabis**” means cannabis or a cannabis product for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at California Health and Safety Code Section 11362.5, by a medicinal cannabis patient in California who possesses a physician’s recommendation.

“**Microbusiness**” means a person engaged in manufacturing, distribution and the retail sale of cannabis on the same premises.

“**Minor**” means an individual under 18 years of age.

“**Non-Storefront Retailer**” means a person that offers cannabis, cannabis products, or devices for the use of cannabis or cannabis products, either individually or in any combination, for retail sale to customers exclusively by delivery.

“**Non-Storefront Retail Microbusiness**” means a microbusiness that includes a non-storefront retailer as a component of the business.

“**Officer**” means any of the following:

- (1) The chief executive officer of an entity engaged in a commercial cannabis business.
- (2) A member of the board of directors of an entity engaged in a commercial cannabis business.
- (3) A person participating in the direction or control of an applicant for a commercial cannabis permit or any owner of a commercial cannabis business within the city.

“**Owner**” means a person with an aggregate ownership interest, direct or indirect, of 20 percent (20%) or more in a commercial cannabis business, whether a partner, shareholder, member, or the like, including any security, lien, or encumbrance in an ownership interest that, upon default, could become an ownership interest of 20 percent (20%) or more in a commercial cannabis business.

“**Permittee**” means any person who has been issued a commercial cannabis permit pursuant to this chapter.

“**Permittee representative**” means any owner, officer, manager or employee of a commercial cannabis business.

“Person” means any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination of persons acting as a unit.

“Police Chief” means the Chief of the Corona Police Department, or his/her designee.

“Premises” means the designated structure or structures and land, or portions thereof, specified in an application for a commercial cannabis permit or, if a commercial cannabis permit is issued, that is owned, leased, or otherwise held under the control of the permittee, and is designated as the structure or structures and land, or portions thereof, where the commercial cannabis business will be or is operated.

“Private parks” means privately owned outdoor premises, available for community use, containing recreational areas or playground equipment, including tot-lots, swings, or similar equipment, designed for use by minors. Where a private park is located within a parcel containing other uses, the private park premises shall be defined as the area within which all recreational areas or playground equipment designed for use by minors is contained.

“Public parks” means outdoor premises containing existing or proposed parks, including community parks, neighborhood parks, mini-parks, and urban parks that are currently or proposed to be owned or operated by the city or other governmental agency.

“Residential zone” means an A, A-14.4, R-1A, R-20.0, R-12.0, R-1-9.6, R-1.8.4, R-1-7.2, R-1-14.4, R-2, R-3, R-3-C, R-G or MP zone, a residential land use adopted by a specific plan, or an equivalent residential zone, in each case within which residential uses are allowed by right. The term “residential zone” does not include mixed-use zones established by a specific plan that permit residential uses.

“Retail area” means a building, room, or other area on the premises of a storefront retailer or storefront retail microbusiness that is open to the public and upon which the permittee is authorized to engage in the retail sale of cannabis or cannabis products.

“Retailer” means a person engaged in the retail sale of cannabis and/or cannabis products directly to a consumer. Retailer shall include storefront retailer and non-storefront retailer.

“Sell” and **“sale”** mean any transaction whereby, for any consideration, title to cannabis or cannabis products is transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same.

“State” means the state of California.

“State cannabis laws” means the laws of the state of California, as presently adopted or further amended, which include, but are not limited to, California Health and Safety Code Section 11000 et seq.; California Health and Safety Sections 11362.1 through 11362.45; California Health and

Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Section 11362.7 et seq. (Medical Marijuana Program); California Health and Safety Code Section 26000 et seq. (Medicinal and Adult-Use Cannabis Regulation and Safety Act (“MAUCRSA”)), as such laws may be amended from time to time; the California Attorney General’s Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August 2008, as such guidelines may be revised from time to time by action of the Attorney General; California Labor Code Section 147.5; California Revenue and Taxation Code Sections 31020 and 34010 through 34021.5; California Fish and Game Code Section 12029; California Water Code Section 13276; all state regulations adopted pursuant to MAUCRSA; and all other applicable laws of the state of California, as presently adopted or further amended.

“**State license**” means a license issued by the state of California, or one of its departments or divisions, under the state cannabis laws to engage in commercial cannabis activity.

“**Storefront retail microbusiness**” means a microbusiness that includes a storefront retailer as a component of the business.

“**Storefront retailer**” means a person that offers cannabis, cannabis products, or devices for the use thereof, either individually or in any combination, for retail sale to customers exclusively at premises providing access to the public.

“**Testing laboratory**” means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following:

- (1) Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state; and
- (2) Licensed by the state.

“**Topical cannabis**” means a product intended for external application and/or absorption through the skin. A topical cannabis product is not considered a drug as defined by California Health and Safety Code Section 109925.

“**Track and trace system**” means the program used statewide to record the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain — from seed to sale.

“**Transfer**” means to sell, transfer, pledge, assign, grant an option, or otherwise dispose of a commercial cannabis business or a commercial cannabis permit. The transfer, or attempted transfer, of all or any portion of a permitted commercial cannabis business shall constitute the transfer, or attempted transfer, of the underlying commercial cannabis permit.

“**Transport**” means transfer of cannabis or cannabis products from the premises of one commercial cannabis business to the premises of another commercial cannabis business, for the purposes of conducting commercial cannabis activity authorized by the state cannabis laws and this chapter.

“**Youth center**” has the same meaning as in California Health and Safety Code Section 11353.1, as presently adopted or further amended.

5.36.030 Permitted and prohibited commercial cannabis activities.

(A) **Permitted types of commercial cannabis activities.** To the extent expressly authorized in this chapter and Title 17 of this code, the following commercial cannabis activities are permitted in the City of Corona, subject to the satisfaction of all requirements set forth in this chapter, Title 17 of this code, the state cannabis laws, and all other applicable federal, state and local laws, rules and regulations:

- (1) Storefront retailer
- (2) Non-storefront retailer
- (3) Manufacturing
- (4) Distribution
- (5) Testing Laboratory
- (6) Microbusiness

(B) **Prohibited types of commercial cannabis activities.** Notwithstanding anything herein to the contrary, cultivation, indoors or outdoors, is expressly prohibited. No commercial cannabis permit shall be approved or issued for the commercial cannabis activity of cultivation within the city and no person shall otherwise establish or conduct cannabis cultivation within the city.

(C) **Industrial hemp prohibited.** Nothing in this chapter shall be construed or interpreted to permit the commercial possession, furnishing, manufacture, cultivation, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of industrial hemp.

5.36.040 Promulgation of rules, regulations, standards, policies and other requirements.

(A) **Adoption.**

(1) City Council. The City Council shall adopt, by resolution, rules and regulations for permitting commercial cannabis businesses.

(2) City Manager. In addition to any rules and regulations adopted by the City Council, the City Manager is authorized to establish, consistent with the terms of this chapter and any such rules and regulations adopted by the City Council, any additional administrative rules, regulations, standards, policies or other requirements governing: (1) applications for commercial cannabis permits under this chapter; (2) the issuance, denial or renewal of commercial cannabis permits under this chapter; (3) the city’s oversight of the ongoing operation of commercial cannabis businesses; and (4) any other subject determined to be necessary to carry out the purposes of this chapter.

(B) **Publication.** Rules, regulations, standards, policies and other requirements promulgated by the City Council or the City Manager shall be published on the city’s website and maintained and available to the public in the office of the City Clerk.

(C) **Effective date.** Rules, regulations, standards, policies and other requirements promulgated by the City Council or the City Manager shall be effective not only for future

permittees, but shall also apply to existing valid commercial cannabis permits. Such rules, regulations, standards, policies and other requirements shall become effective and enforceable upon the date of publication on the city's website or, with respect to existing valid commercial cannabis permits, upon the date specified in a written notice to the permittee.

5.36.050 City permit - Required.

(A) **Permit required.** No person shall establish or operate a commercial cannabis business or engage in commercial cannabis activity within the city unless such business or activity is currently in compliance with all applicable state and local laws, rules and regulations and that person has:

- (1) A valid city business license to conduct such business or activity;
- (2) A valid commercial cannabis permit issued by the city pursuant to this chapter to conduct such business or activity;
- (3) A valid state license authorizing such business or activity in the city;
- (4) A valid commercial cannabis operational agreement with the city to conduct such business or activity; and
- (5) A valid certificate of occupancy issued by the city's building division to the applicant or permittee to conduct the commercial cannabis business or commercial cannabis activity at the premises identified in the commercial cannabis permit.

(B) **Separate permits required.** A separate commercial cannabis permit shall be required for each type of commercial cannabis business listed in § 5.36.060(A) whether conducted in or engaged on the same premises or on different premises.

5.36.060 City permit - Maximum number and types.

(A) **Maximum number.** The maximum number of commercial cannabis permits for each type of commercial cannabis business that are available for issuance within the city shall be as follows:

- (1) Storefront retailer and/or storefront retail microbusiness: The maximum shall be calculated using a formula of one (1) storefront retailer and/or storefront retail microbusiness per 15,000 city residents, as determined by the California Department of Finance and set forth in the E-1 report, rounded-up to the next whole number, or as established by City Council resolution pursuant to § 5.36.060(E). As of the date of adoption of the ordinance establishing this section in 2020, the maximum is twelve (12).
- (2) Non-storefront retailer: No numerical limit
- (3) Manufacturer: No numerical limit
- (4) Distribution: No numerical limit
- (5) Testing laboratory: No numerical limit
- (6) Non-storefront retail microbusiness: No numerical limit

(B) **No other commercial cannabis businesses permitted.** A commercial cannabis permit shall not be issued for any type of business involving a commercial cannabis activity other than those identified in subsection (A) above.

(C) **Multiple retail locations prohibited.** A retail commercial cannabis business shall not be permitted to operate at multiple locations in the city. A commercial cannabis permit shall

not be issued for a retail commercial cannabis business to any person who is the owner of, or has a financial interest in, another retail commercial cannabis business that is operating in the city or that has obtained a commercial cannabis permit to operate a retail commercial cannabis business in the city. Notwithstanding the foregoing, if the maximum number of commercial cannabis permits authorized by subsection (A) above have not been issued by January 1, 2023, this subsection's prohibition on permitting any person who is the owner of, or has a financial interest in, a retail commercial cannabis business from obtaining a commercial cannabis permit for another retail commercial cannabis business within the city shall no longer apply.

(D) **Increase or decrease of maximum number.** The City Council reserves the right at any time to consider whether the city should increase or decrease the maximum number of commercial cannabis permits available for issuance within the city for any or all types of commercial cannabis activities, or to impose a cap on previously uncapped commercial cannabis activities. If the City Council proceeds with a decrease in the total number of commercial cannabis permits for any or all types of commercial cannabis activities within the city, any such action shall include provisions for determining which, if any, existing commercial cannabis permits shall be eliminated and when operations for eliminated commercial cannabis permits shall cease.

(E) **Resolution required.** The City Council shall increase or decrease the maximum number of commercial cannabis permits available for issuance for any or all commercial cannabis activities by resolution.

5.36.070 City permit - Separation requirements.

(A) **Retailers and storefront retail microbusinesses.** No retailer or storefront retail microbusiness shall be located within a 1,000-foot radius, measured from the public entrance of the retailer, of the exterior boundary of a property containing any of the following that are in existence at the time the initial commercial cannabis permit for the retailer or storefront retail microbusiness is issued:

- (1) Public or private school providing instruction in kindergarten or any of grades 1 to 12;
- (2) Youth center;
- (3) Day care center;
- (4) Public or private park located within the city's jurisdictional boundaries; or
- (5) Residential zone located within the city's jurisdictional boundaries

(B) **Manufacturers, Distributors and Testing Laboratories.** No manufacturer, distributor, testing laboratory or non-storefront retail microbusiness shall be located within a 600-foot radius, measured from the primary entrance of such commercial cannabis business, of the exterior boundary of a property containing any of the following that are in existence at the time the initial commercial cannabis permit for the manufacturer, distributor or testing laboratory is issued:

- (1) Public or private school providing instruction in kindergarten or any of grades 1 to 12;
- (2) Youth center;
- (3) Day care center;
- (4) Public or private park located within the city's jurisdictional boundaries; or
- (5) Residential zone located within the city's jurisdictional boundaries.

(C) **Freeway excluded.** For purposes of measuring the distance between commercial cannabis businesses and the uses described in subsections (A) and (B) above, the measurement shall stop at, and shall not include, State Route 91 and Interstate 15, as applicable, provided that the distance between the commercial cannabis business and the uses described in subsections (A) and (B) above comply with the requirements of the state cannabis laws. Currently, the state cannabis laws prohibit a commercial cannabis business from being located within a 600-foot radius of the uses identified in Subsections (A)(1) through (A)(3) and (B)(1) through (B)(3) above.

5.36.080 City permit - Application procedures.

(A) **Adoption.**

(1) City Council. Within the rules and regulations for permitting commercial cannabis businesses provided for in § 5.36.040, the City Council shall include procedures to govern the application process and the manner in which the decision will ultimately be made regarding the issuance of any commercial cannabis permit(s). For purposes of applications for storefront retailers and storefront retail microbusinesses, such procedures shall include detailed objective review criteria and a point system or equivalent evaluation scale tied to each set of review criteria.

(2) City Manager. As provided for in § 5.36.040, the City Manager shall be authorized to take any of the following actions, so long as they are consistent with the terms of this chapter and any rules and regulations adopted by the City Council: (a) prepare any necessary forms; (b) adopt any necessary rules, regulations, standards, policies and other requirements regarding applications; (c) solicit applications; (d) oversee the evaluation of the applicants; and (e) adopt any other rules, regulations, standards, policies and other requirements determined to be necessary to carry out the purposes of this chapter or any rules and regulations adopted by the City Council.

(B) **Payment of application fee.** At the time of filing, each applicant shall pay an application fee established by resolution of the City Council.

(C) **Rejection of applications.** Applications may be rejected due to untimely submission, failure to provide the required information or documentation, not being fully responsive to the requirements of the application process or the inclusion of any false, misleading or fraudulent statement in or the omission of any pertinent fact from the application or during the application process.

5.36.090 City permit - Denial.

(A) **Grounds for denial.** An application for a commercial cannabis permit shall be denied if one or more of the following conditions exist:

- (1) The applicant has not paid all fees required pursuant to this chapter.
- (2) The application is incomplete, filed late, or is otherwise not responsive to the requirements of this chapter.
- (3) The application contains a false or misleading statement or omission of a material fact.
- (4) The applicant or any owner, officer or manager is not at least twenty-one (21) years old.
- (5) The applicant or any owner, officer or manager has unpaid and overdue administrative penalties imposed for violations of the Corona Municipal Code.

(6) The applicant or any owner, officer or manager has an unpaid civil judgment imposed for violation(s) of the Corona Municipal Code.

(7) The applicant or any owner, officer or manager has been convicted of any of the following charges:

- (a) Any felony offense within the past ten (10) years;
 - (b) A crime involving use of money to engage in criminal activity within the past ten (10) years;
 - (c) Unlawful possession or use of a firearm within the past ten (10) years;
- or
- (d) Drug-related misdemeanor (other than cannabis) within the past three (3) years.

(8) The applicant or any owner, officer or manager is on probation or parole for the sale of drugs (other than cannabis).

(9) The premises or the operation of the applicant's commercial cannabis business, as described in its application, would fail to comply with any provision of the Corona Municipal Code, or any state law or regulation.

5.36.100 City permit - Amendment for physical modification of premises.

(A) **No physical modifications without approval.** No permittee shall, without the prior written approval of the city, make a physical change, alteration, or modification to the premises that materially or substantially alters the premises or the use of the premises from the premises diagram and floorplan originally filed with the application for a commercial cannabis permit.

(B) **Request for premises modification.** A permittee who proposes to materially or substantially change, alter or modify the premises shall submit a request for premises modification to the city on a form issued or approved by the City Manager. The request for premises modification shall include a new premises diagram and floorplan that depicts the proposed changes, alterations or modifications to the premises and any other documentation requested by the city to evaluate the permittee's request. At the time of filing the request for premises modification, the permittee shall pay a fee in an amount established by resolution of the City Council.

(C) **Material or substantial modifications.** For purposes of this section, the following changes, alterations, or modifications to the premises shall be considered material or substantial:

(1) The removal, creation, or relocation of a common entryway, doorway, passage, or a means of public entry or exit, when such common entryway, doorway, or passage alters or changes limited-access areas within the premises;

(2) The removal, creation, or relocation of a wall or barrier;

(3) Changing the activities conducted in or the use of an area identified in the last premises diagram provided to and approved by the city; or

(4) Changes or alterations that violate any applicable provision of this code, the California Building Code or the California Fire Code.

(D) **Building permits.** Notwithstanding anything in this chapter to the contrary, a physical change, alteration, or modification to the premises shall be subject to all other requirements of this code, including, but not limited to the building permit requirements.

5.36.110 City permit - Expiration.

A commercial cannabis permit issued pursuant to this chapter shall expire one (1) year after the date of issuance. No permit issued pursuant to this chapter shall confer any vested right to any person or business for more than the permit period. Commercial cannabis permits may be renewed pursuant to Section 5.36.120.

5.36.120 City permit - Renewal.

(A) **Renewal application.** An application for renewal of a commercial cannabis permit shall be filed with the City Manager's office at least sixty (60) days prior to the expiration date of the current commercial cannabis permit.

(B) **Payment of fees.** At the time of filing the application for renewal, the applicant shall pay a fee in an amount established by resolution of the City Council. Any applicant submitting an application less than sixty (60) days before its expiration shall be required to pay a late renewal application fee, as established by resolution of the City Council.

(C) **Application form.** The application for renewal shall be submitted on a form issued or approved by the City Manager and shall contain all the information required for a new application for a commercial cannabis permit.

(D) **Denial of renewal application.** An application for renewal of a commercial cannabis permit may be denied if any of the following grounds exists:

- (1) Any of the grounds for suspension or revocation under § 5.36.130.
- (2) The commercial cannabis permit has been suspended or revoked at the time of the application for renewal.
- (3) The commercial cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
- (4) The permittee fails to or is unable to renew its state license.
- (5) The permittee has made a false, misleading or fraudulent statement or omission of fact as to any information provided to city pursuant to this chapter.

(E) **City Manager authority.** The City Manager is authorized to make all decisions concerning the renewal of a commercial cannabis permit. In making the decision, the City Manager is authorized to impose additional conditions on the commercial cannabis permit if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare.

(F) **Service of decision on permittee.** The City Manager shall, either personally or by first class mail addressed to the address listed on the renewal application, serve the permittee with dated written notice of the City Manager's decision to approve or deny the renewal, and the right of the permittee to appeal the decision pursuant to Chapter 1.09 of this code.

(G) **Validity of permit pending City Manager decision.** If a permittee submits the required renewal application, but a written approval from the city has not been received prior to the expiration of the commercial cannabis permit, such permit shall be deemed conditionally renewed until service of the City Manager's written decision on the renewal application.

(H) **Appeal right.** The City Manager's decision on a renewal application may be appealed pursuant to Chapter 1.09 of this code.

(I) **Effect of denial.** If a renewal application is denied, the commercial cannabis permit shall no longer be effective and all related commercial cannabis activity must cease on or prior to the expiration date of the original commercial cannabis permit. A person denied a renewal of a commercial cannabis permit may file a new application pursuant to this chapter no sooner than one (1) year from the date of the denial.

5.36.130 City permit - Suspension or revocation.

(A) **Grounds for suspension or revocation.** The City Manager may suspend, modify, further condition or revoke a commercial cannabis permit issued pursuant to this chapter for any of the following reasons:

(1) Failure of a permittee to comply with any requirement imposed by the provisions of this code (or successor provision or provisions) including any rule, regulation, condition or standard adopted pursuant to this chapter, or any term or condition imposed on the commercial cannabis permit, or any provision of the state cannabis laws, or any applicable local law or regulations. Any act or omission of any permittee representative constituting a violation of the provisions of this chapter shall be deemed the act or omission of the permittee for purposes of determining whether the commercial cannabis permit shall be suspended and/or revoked.

(2) Any change in the ownership of a commercial cannabis business that does not have city's prior written approval, to the extent required under this chapter.

(3) Revocation of a permittee's state license.

(4) Denying the city and/or its representatives access to the premises or records of a permittee.

(5) The conviction of permittee, or any permittee representative of the commercial cannabis business, of any of the following charges:

(a) Any felony offense within the past ten (10) years;

(b) A crime involving use of money to engage in criminal activity within the past ten (10) years;

(c) Unlawful possession or use of a firearm within the past ten (10) years;

or

(d) Drug-related misdemeanor (other than cannabis) within the past three (3) years.

(6) The placement on probation or parole of permittee, or any permittee representative of the commercial cannabis business for the sale of drugs (other than cannabis).

(B) **Notice to permittee.** If the City Manager determines that a ground for suspension and/or revocation of a commercial cannabis permit exists, the City Manager shall give written notice of suspension and/or revocation to the permittee, either personally or by first class mail addressed to the address listed on the application. This notice shall state the reasons for the action, the effective date of the suspension and/or revocation, and the right of the permittee to appeal the decision pursuant to Chapter 1.09 of this code.

5.36.140 City permit - Effect of state license suspension, revocation, or termination.

(A) **Effect of state license suspension.** Suspension of a state license shall immediately suspend the commercial cannabis permit and the ability of a commercial cannabis

business to operate within the city, unless and until the state of California, or its respective department or division, reinstates or reissues the State license.

(B) **Effect of state license revocation.** Revocation or termination of a state license shall also immediately revoke or terminate the commercial cannabis permit and the ability of a permittee, or any permittee representative of a commercial cannabis business to operate a commercial cannabis business within the city, unless and until the state of California, or its respective department or division, reinstates or reissues the State license.

5.36.150 City permit and permittee - Restrictions on transfer, change or alteration.

(A) **Transfer of a permit prohibited.** A commercial cannabis permit is valid only as to the permittee. No permittee is allowed to transfer its commercial cannabis permit to any person except pursuant to the terms of this section. Except as permitted, any such transfer or attempted transfer shall be deemed to constitute a voluntary surrender of the commercial cannabis permit and such commercial cannabis permit shall thereafter be null and void, except as set forth in this chapter.

(B) **Transfer of less than majority ownership.** A permittee may transfer less than 50 percent (50%) ownership or control of a commercial cannabis permit with prior written approval of the City Manager after submission of all required application materials, payment of applicable fees as established by resolution of City Council, and a determination that the transferee(s) satisfy(ies) the requirements of this chapter such as to be entitled to the issuance of an original commercial cannabis permit.

(C) **Change in name or form of business entity.** A permittee may change the name or form of business entity without applying to the City Manager for a new commercial cannabis permit if the ownership of the new business entity is the same as the original business entity. Although a new commercial cannabis permit is not required, the permittee shall notify the city in writing of the change within 30 days of the change, and obtain an amendment to the original commercial cannabis permit and the commercial cannabis operational agreement after paying the applicable fee established by resolution of the City Council.

(D) **Involuntary transfer.**

(1) In the event of the death, incapacity, receivership, assignment for the benefit of creditors or other event rendering one or more permittees incapable of performing the duties associated with the commercial cannabis permit, the permittee or permittee's successor in interest (e.g., appointed guardian, executor, administrator, receiver, trustee, or assignee) shall notify the City Manager in writing, within 14 calendar days of the occurrence of such event. To continue operations or cancel the existing commercial cannabis permit, permittee's successor in interest shall submit to the City Manager the following:

- (a) The name of permittee's successor in interest;
- (b) The name of the permittee(s) for which the successor in interest is succeeding;
- (c) The phone number, mailing address, and email address of the successor in interest; and
- (d) Documentation demonstrating that the permittee(s) is incapable of performing the duties associated with the commercial cannabis permit, such as a death certificate or a court order, and documentation demonstrating that the person making the request is the

permittee's successor in interest such as a court order appointing guardianship, receivership, or a will or trust agreement.

(2) The City Manager may give the permittee's successor in interest written approval to continue operating the commercial cannabis business authorized by the commercial cannabis permit on the premises for a period of time specified by the City Manager, provided that the successor in interest shall be subject to all terms and conditions of the commercial cannabis permit, this chapter, any provision of the state cannabis laws, or any applicable local law or regulations, in the following instances:

(a) If the successor in interest or another person has applied for a commercial cannabis permit from the city for the premises and that application is under review;

(b) If the successor in interest needs additional time to destroy or sell cannabis; or

(c) At the discretion of the City Manager.

(E) **No transfer for first 12 months.** No permittee shall be allowed to transfer all or any portion of its commercial cannabis permit prior to twelve (12) months after the permittee has opened and continuously operated its commercial cannabis business authorized thereunder.

(F) **Commercial cannabis business name.** No permittee shall operate, conduct, manage, engage in, or carry on the business of a commercial cannabis business under any name other than the name of the commercial cannabis business specified in the commercial cannabis permit.

(G) **No transfer if permit suspended.** A permit shall not be transferred pursuant to this section if the City Manager has notified the permittee that the commercial cannabis permit has been or may be suspended, revoked, or not renewed.

(H) **No transfer of certificate of occupancy.** A certificate of occupancy issued by the city's building division for a commercial cannabis business is valid only as to the permittee. No permittee is allowed to transfer the certificate of occupancy to any person. A new certificate of occupancy shall be required for any transfer or change otherwise permitted pursuant to this section that results in a change in the name of the permittee.

(I) **Effect of failure to comply.** Failure to comply with this section constitutes grounds for suspension or revocation of a commercial cannabis permit.

(J) **No extension of permit.** Any change or transfer permitted under this section shall not extend the term of a commercial cannabis permit.

5.36.160 Business premises - Restrictions on transfer, change or alteration.

(A) **Permit nontransferable to other locations.** A commercial cannabis permit issued under this chapter is valid only as to the premises identified in and approved by the commercial cannabis permit, and is therefore nontransferable to other locations except as authorized in this section. No permittee is authorized to relocate to other areas or units within a building structure without first obtaining written approval from the City Manager, regardless of any possessory interest or right of possession to such additional space.

(B) **City Manager authority.** No permittee shall change the location of the premises identified in and approved by the commercial cannabis permit until any such change of location is approved by the City Manager. As provided in § 5.36.040, the City Manager shall adopt a process (to include any necessary forms and procedures) to change the location of the premises approved

in accordance with the commercial cannabis permit that includes, but is not limited to, the following:

(1) The permittee shall submit a change of location application to the city at least ninety (90) days prior to the proposed change, along with any fees established by resolution of the City Council.

(2) The proposed location shall meet all of the requirements under this code, including, but not limited to, this chapter and Title 17.

(3) The proposed location shall be reviewed and evaluated using review criteria as referenced in § 5.36.070.

(4) The change in location of premises shall be subject to the prior review and approval by the Community Development Director and any and all other licenses, approvals, or permits required under State law and this code.

(C) **Other approvals.** All required state and city approvals, plan approvals, permits, and licenses must be obtained before causing, allowing, or licensing alterations to, and/or extensions or expansions of, the existing building(s), structure(s), or portions thereof on the premises approved as a location for a commercial cannabis business. Said alterations, extensions, or expansions shall comply with all applicable laws, regulations and standards, including, but not limited to, those concerning building safety and occupancy.

5.36.170 Operating requirements - all commercial cannabis businesses.

(A) **Cannabis use on premises prohibited.** No person shall consume cannabis and/or cannabis products on the premises of a commercial cannabis business. The permittee shall take reasonable steps to prevent the use and consumption of cannabis or cannabis products on the premises, which, at a minimum, shall include posting, in one or more clearly visible locations on the premises, a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis or cannabis products on the premises or in the areas adjacent to the commercial cannabis business is prohibited.

(B) **No alcohol or tobacco on premises.** No person shall cause or license the sale, dispensing, or consumption of alcoholic beverages or tobacco products on the premises of a commercial cannabis business.

(C) **No visible cannabis.** No cannabis or cannabis products shall be visible from the exterior of any premises issued a commercial cannabis permit, or on any of the vehicles owned or used as part of a commercial cannabis business.

(D) **No outdoor storage or operations.** Outdoor storage of cannabis or cannabis products is prohibited. All operations of the commercial cannabis business shall be performed within an enclosed building. Special events or temporary uses that would involve outdoor sales or display of cannabis or cannabis products are prohibited. Notwithstanding the foregoing, goods and materials used in the manufacturing, distribution or testing of cannabis or cannabis products, other than cannabis or cannabis products, may be stored outdoors at the rear of the premises of a manufacturer, distributor or testing laboratory provided that such goods and materials are properly secured behind fencing that provides adequate screening of such goods and materials from public rights-of-way and otherwise stored in compliance with the provisions of § 17.44.090 of this code.

(E) **Track and trace requirements.** Commercial cannabis businesses shall create and maintain an active account within the state's track and trace system, as required by the state

cannabis laws, prior to commencing any commercial cannabis activity. In the event of system failure, the business shall keep a hard copy record and transfer the information to the track and trace system within twenty-four (24) hours of the system being available.

(F) **Compliance with all laws.** All cannabis and cannabis products sold, tested, distributed or manufactured within the city shall be cultivated, manufactured, and transported only by persons who maintain full conformance with the state cannabis laws, and all other state regulations and local laws, rules and regulations. Except as otherwise specifically provided herein, this chapter incorporates all requirements and procedures set forth in the state cannabis laws. In the event of a conflict between the provisions of this chapter and the provisions of the state cannabis laws or any other applicable state or local law, the more restrictive provision shall apply. To the extent allowed by the state cannabis laws, the city shall have the right, but not the obligation, to enforce all applicable state cannabis laws

(G) **Manager on premises.** All commercial cannabis businesses shall have a manager on the premises at all times during hours of operation.

(H) **Emergency contact.** Each commercial cannabis business shall provide the City Manager with the name, telephone number (both land line and mobile, if available) of an on-site manager or owner to whom emergency notice may be provided at any hour of any day.

(I) **Age restriction.** Persons under the age of 21 years shall not be allowed on the premises of a commercial cannabis business unless that business holds a valid M-License. Persons under the age of 21 years shall not be allowed to serve as a driver for a retailer. It shall be unlawful and a violation of this chapter for any person to employ an individual or otherwise allow an individual to volunteer at a commercial cannabis business who is not at least 21 years of age.

(J) **Odor control.** Each commercial cannabis business premises shall be designed and constructed to ensure that all odors generated by the business are contained on the premises. The premises should be designed so that demising walls are full height and extend to the bottom of the roof deck and joints are sealed unless the permittee can demonstrate to the satisfaction of the Building Official that the odor control system required by this subsection will adequately prevent odor migration into adjacent units or suites. Each commercial cannabis business shall have installed on the premises an odor control system prepared by a registered design professional specializing in such systems that is designed in accordance with the California Mechanical Code. At a minimum, the odor control system shall:

(1) Include makeup and process air for odor control, comfort and proper working conditions for employees of the commercial cannabis business, and to replenish exhausted air;

(2) Be designed to prevent cannabis odors from being detected outside of the premises, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common areas that are available for use by common tenants or the visiting public, or within other units or spaces attached to the same building;

(3) Be designed so as not to create a violation of other codes or interfere with other fire and life safety systems and devices, including, without limitation, systems for smoke and fire detection or suppression;

(4) Include a description of the maintenance to occur on the odor control system for optimum performance; and

(5) Include an air balance report and odor control certification prepared by the registered design professional that designed the system to be submitted to the Building Division

for review and approval prior to issuance of a certificate of occupancy for the commercial cannabis business.

(K) **Display of commercial cannabis permit and city business license.** A copy of the state license, the commercial cannabis permit and the city business license issued to a commercial cannabis business shall be posted inside the premises of the commercial cannabis business in a location readily visible to the public and/or city personnel.

(L) **Employee identification.** Each and every employee of a permittee must, at all times when present on the premises of a commercial cannabis business or while conducting a delivery, wear an identification badge issued by the Corona Police Department containing the employee's photograph, age, the name of the permittee or commercial cannabis business for whom they are employed, and, if the employee is a manager, the employee's job title.

(M) **Delaying or lingering prohibited.** The permittee shall take reasonable steps to prevent individuals from delaying or lingering on the premises without a lawful purpose.

(N) **Licenses and other approvals.** Throughout the term of a commercial cannabis permit, the permittee shall maintain all applicable planning, zoning, building, fire and other applicable licenses, permits, and approvals from the relevant city department or division that may be applicable to the zoning district in which the commercial cannabis business is located, including, but not limited to, the requirements provided for in Section 5.36.170(O) below.

(O) **City zoning requirements.** A commercial cannabis business shall be permitted to operate only in the zoning districts in which such use is expressly permitted by Title 17 of this code.

(P) **Fees and charges.**

(1) No person may operate a commercial cannabis business without timely paying in full all fees and charges required by this code or any other applicable state or local law, rule or regulation.

(2) Permittees authorized to operate a commercial cannabis business under this chapter shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state and local law or under the commercial cannabis operational agreement for the commercial cannabis business. Each commercial cannabis business shall cooperate with city with respect to any reasonable request to audit the commercial cannabis business's books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes required to be paid during any period.

(Q) **Training requirements.** City reserves the right to impose training requirements on permittees, any permittee representative, and others involved in the operation of a commercial cannabis business, with the specific requirements to be determined and implemented through regulations adopted pursuant to § 5.36.040.

(R) **Temporary cannabis events prohibited.** Temporary cannabis events, as described in Chapter 5 of Division 42 of Title 16 of the California Code of Regulations as presently adopted or further amended, are prohibited in the city at all times.

(S) **Signage.** Signs for commercial cannabis businesses shall maintain compliance with Chapter 17.74 of this code.

(T) **Live Scan/Background check.** Every person listed as an owner, officer, manager, employee or volunteer of a commercial cannabis business shall submit fingerprints and other information deemed necessary by the Police Chief for a live scan/background check by the Corona Police Department prior to the issuance of a commercial cannabis permit or renewal of a

commercial cannabis permit. No person shall be permitted to operate or work in a commercial cannabis business unless they have first cleared the live scan/background check, as determined by the Police Chief. A fee for the cost of the live scan/background check, as established by resolution of the City Council, shall be paid at the time the application for a commercial cannabis business permit is submitted no later than the time the fingerprints are submitted.

(U) **Security systems.**

(1) **Video surveillance system.** Each commercial cannabis business shall have a video surveillance system that complies with the requirements of Section 5044 of Title 16 of the California Code of Regulations, as presently adopted or further amended, professionally installed and maintained on the premises. The video surveillance system shall be of adequate quality, color rendition and resolution to allow the ready identification of any individual committing a crime anywhere on or adjacent to the premises. The video surveillance system storage device and cameras shall be compatible with the city's software and hardware and shall be transmission control protocol/TCP capable of being accessed through the internet by the Corona Police Department upon request. In addition, the video surveillance system must be capable of providing remote and real-time, live access to the video surveillance footage if required by the Corona Police Department. Permittee shall maintain video surveillance recordings for a minimum of ninety (90) days and shall make them available to the city for inspection or copy upon request.

(2) **Alarm system.** Each commercial cannabis business shall have a silent alarm system that complies with the requirements of Section 5047 of Title 16 of the California Code of Regulations, as presently adopted or further amended, professionally installed and maintained on the premises.

(3) **Monitoring.** The video surveillance and alarm systems required by this subsection shall be monitored by an approved supervising station, which shall be a UL-listed central station alarm monitoring company, as required by the California Fire Code.

(4) **Security plan.** Each commercial cannabis business shall comply with all requirements of the security plan submitted with the application for a commercial cannabis permit for review and approval by the Police Chief.

(5) **Live video and audio feed.** The video surveillance and alarm systems installed on the premises shall be capable of allowing the alarm monitoring company to view and hear live video of the premises upon activation of the alarm that can be relayed to the Corona Police Department.

(6) **Compliance with Chapter 15.52.** In addition to the requirements provided for in this § 5.36.170(U), each commercial cannabis business shall maintain compliance with all requirements set forth in Chapter 15.52 of this code.

(V) **Labor peace agreement.** The permittee or owner of each commercial cannabis business shall enter into a labor peace agreement, regardless of the number of employees, and shall abide by the terms of such agreement.

(W) **Security measures.** Each permittee shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the premises of the commercial cannabis business.

(X) **Power outages.** Each commercial cannabis business shall have the capability to remain secure during a power outage and each permittee shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks remain engaged and are not

released during a power outage. Required exit doors shall be manually operable during a power outage to ensure safe egress as required by the California Building and Fire Codes.

(Y) **No liability for city.** As a condition of approval of a commercial cannabis permit, an applicant shall be required to meet all of the following conditions before they can receive the commercial cannabis permit:

(1) Execute an agreement, in a form approved by the City Attorney, agreeing, to the fullest extent permitted by law, to defend (with counsel of city's choosing), indemnify and hold the city, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of, pertaining to, or incident to the city's issuance of the commercial cannabis permit, the process used by the city in making its decision to issue a commercial cannabis permit or approve the operation of the commercial cannabis business, the operation of the commercial cannabis business or the prosecution of the applicant, permittee, or any permittee representative for violation of federal law or the state cannabis laws, including without limitation the payment of all settlement amounts, expert witness fees and attorney's fees and other related costs and expenses;

(2) Maintain insurance in the amounts and types that are acceptable to the City Council or City Attorney;

(3) Name the city as an additional insured on all required insurance policies;

(4) Agree to reimburse the city for any legal fees and court costs that the city may be required to pay as a result of any legal challenge related to the city's approval or issuance of a commercial cannabis permit or the operation of the commercial cannabis business. The city may, at its sole discretion, participate, at its own expense, in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

(Z) **Cannabis waste.** No cannabis product shall be disposed of in its packaging. The permittee for a commercial cannabis permit issued for manufacturing, distribution or testing laboratory shall ensure that the cannabis is removed or separated from any packaging or container and that the cannabis is rendered unrecognizable and unusable prior to disposal.

(AA) **Parking Requirement.** Chapter 17.76 shall apply to commercial cannabis businesses permitted by this chapter except that the number of required off-street parking spaces shall be 1 space/500 square feet of building area.

(BB) **Violations of law not authorized.** Nothing in this chapter shall be construed as authorizing or condoning any actions that violate federal, state or local law with respect to the operation of a commercial cannabis business.

(CC) **Permittee responsible for compliance.** It shall be the responsibility of the permittee, and the permittee representatives of a commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with this chapter, the state cannabis laws, as well as all applicable federal, state, and local laws and regulations, including any subsequently enacted state or local law or regulatory, licensing, or certification standards or requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of a State license or a commercial cannabis permit.

(DD) **Permittee responsible for actions of employees.** The permittee shall be responsible for all violations of any applicable federal, state, and local laws and regulations committed by the permittee or any permittee representative, whether or not said violations occur

within the permittee's presence. Violations by a permittee or any permittee representative may result in suspension, revocation or nonrenewal of the commercial cannabis permit.

(EE) **Additional operating requirements.** The City Manager may adopt other operating requirements or regulations as are determined to be necessary to protect the public health, safety and welfare. Each commercial cannabis business shall comply with such additional operating requirements or regulations.

5.36.180 Operating requirements – Additional for retailers and storefront retail microbusinesses.

(A) **Hours of operation.** The hours of operation for retailers and the retail area of storefront retail microbusinesses shall be 6:00 a.m. to 10:00 p.m. or as otherwise allowed by the state cannabis laws. The hours of operation shall be conspicuously posted near the public entrance of a storefront retailer.

(B) **Age restriction signs.** A storefront retailer or storefront retail microbusiness with an A-License shall conspicuously post and maintain a clear and legible sign, not less than eight (8) inches by ten (10) inches in size, at or near the public entrance of the storefront retailer or the retail area of the storefront retail microbusiness that states substantially as follows: "No persons under 21 years of age allowed inside these premises." A storefront retailer or storefront retail microbusiness with a M-License shall conspicuously post and maintain a clear and legible sign, not less than eight (8) inches by ten (10) inches in size, at or near the public entrance of the storefront retailer or the retail area of the storefront retail microbusiness that states substantially as follows: "No persons under 21 years of age allowed inside these premises, except persons who are at least 18 years of age are allowed with a current qualifying physician's recommendation for medicinal cannabis."

(C) **Video surveillance signs.** Storefront retailers and storefront retail microbusinesses shall conspicuously post and maintain a clear and legible sign, not less than twelve (12) inches by twelve (12) inches in size with letters not less than one (1) inch in height, at or near the public entrance of the storefront retailer or the retail area of the storefront retail microbusiness that states substantially as follows: "All activities monitored by video camera."

(D) **Doors to remain unobstructed during hours of operation.** No door or access point within the premises of a storefront retailer or within the retail area of a storefront retail microbusiness shall be blocked or obstructed by interior or exterior security gates, grilles or shutters during the hours of operation for the commercial cannabis business. Interior security gates, grilles or shutters are permitted during non-operational hours only on the front main entrance to the premises.

(E) **No permanent window bars.** Permanent security or safety bars are prohibited and shall not be placed on any interior or exterior windows or doors on the premises of a storefront retailer or the retail area of a storefront retail microbusiness.

(F) **Security guards.** Storefront retailers and storefront retail microbusinesses shall hire or contract for on-site security services for the premises of the storefront retailer and for the retail area of the storefront retail microbusiness during the hours of operation pursuant to the requirements of the state cannabis laws. Additionally, each storefront retailer and storefront retail microbusiness shall hire or contract for at least one (1) armed security guard during the hours of operation of the storefront retailer and the retail area of the storefront retail microbusiness.

(G) **Panic buttons.** Panic buttons that transmit a silent alarm to the alarm monitoring company referenced in § 5.36.170(U)(2) of this code shall be installed and maintained on the premises of a storefront retailer and the retail area of the storefront retail microbusiness behind the retail counter and any other locations on the premises where sales transactions take place.

(H) **Exterior lighting.** All off-street parking areas, paths of travel and building entrances to the premises of a storefront retailer and the retail area of the storefront retail microbusiness shall be illuminated during all hours of darkness with a lighting system that is directed downward and is designed to provide an average maintained horizontal illumination of one foot candle of light on the parking surface and/or walkway. The lighting shall be shown on the required diagram of the premises and shall be subject to review by the Police Chief during the commercial cannabis permit application process.

(I) **Window coverings.** No more than twenty-five percent (25%) of the windows of a storefront retailer or the retail area of storefront retail microbusiness shall be opaque or covered with opaque materials.

(J) **View from public right-of-way.** From a public right-of-way, there should be no exterior evidence that the premises are used as a non-storefront retailer except for any signage authorized by this chapter.

(K) **No access by general public.** The general public shall not be permitted to enter the premises of a non-storefront retailer.

5.36.190 Operating requirements – Additional for manufacturers, distributors and testing laboratories.

(A) **View from public right-of-way.** From a public right-of-way, there should be no exterior evidence that the premises are used for manufacturing, distribution or as a testing laboratory except for any signage authorized by this chapter.

(B) **No access by general public.** The general public shall not be permitted to enter the premises of a manufacturer, distributor or testing laboratory.

(C) **Systems and equipment.** All systems and equipment used in manufacturing and testing laboratories shall be UL-listed and approved for the specific intended use of the permittee. Permittees that desire to install or use systems or equipment that are not UL-listed shall be required to submit a technical report prepared by a registered design professional for review and approval by the Building Official and the Fire Code Official prior to installation or use of such systems or equipment. Electrical equipment shall be listed and labeled by a Nationally Recognized Testing Laboratory approved by the Building Official.

(D) **Hazardous materials plans.** At the time of submittal of improvement plans for premises that will be used for manufacturing, distribution or as a testing laboratory, the applicant shall prepare and submit electronically, for review and approval by the Fire Code Official, a hazardous material inventory statement and a hazardous material management plan as required by Chapter 6.5 of Division 20 of the California Health & Safety Code and Chapter 8.40 of this code.

(E) **Hazardous waste.** The permittee for a commercial cannabis permit issued for manufacturing, distribution or testing laboratory shall ensure that any hazardous waste used, possessed, generated or stored on the premises as part of the commercial cannabis business is properly categorized, segregated, stored and disposed of in compliance with the state cannabis laws and all applicable state and local laws. The disposal of hazardous waste is under the direction and oversight of the Riverside County Environmental Health Hazardous Materials Branch.

(F) **Backflow preventer.** If required by the DWP General Manager as a condition of approval for a commercial cannabis permit issued for manufacturing, distribution or testing laboratory, the permittee shall ensure that a backflow preventer is installed and maintained on the premises to the satisfaction of the DWP General Manager.

(G) **Wastewater pre-treatment requirements.** If required by the DWP General Manager as a condition of approval for a commercial cannabis permit issued for manufacturing, distribution or testing laboratory, the permittee shall ensure that the commercial cannabis business complies with all wastewater pre-treatment requirements set forth in Chapter 13.08 of this code and any other applicable federal, state or local law, rule or regulation.

(H) **Electric load study.** If required by the DWP General Manager as a condition of approval for a commercial cannabis permit issued for manufacturing, distribution or testing laboratory that is located in the electric service area of the Department of Water and Power for the City of Corona, the permittee shall prepare and, at the time of submittal of improvement plans for the premises, submit for review and approval by the DWP General Manager a power load study for the commercial cannabis business.

5.36.200 Record keeping.

(A) **Maintenance of books and records.** Each permittee shall maintain accurate books and records in an electronic format, detailing all of the revenues, expenses, assets and liabilities of the commercial cannabis business. On no less than an annual basis, at or before the time of the renewal of a commercial cannabis permit issued pursuant to this chapter, or at any time upon reasonable request of the city, each permittee shall submit to the city, in a form approved by the City Manager, a statement, sworn as to accuracy, detailing their commercial cannabis business's revenue and number of sales during the previous 12-month period, or shorter period based upon the timing of the request, provided on a per-month basis. The statement shall also include gross revenues for each month, and all applicable taxes paid or due to be paid.

(B) **Annual financial audit.** On an annual basis, each permittee shall submit to the City Manager a financial audit of the commercial cannabis business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the City Manager.

(C) **Maintenance of ownership list.** Each permittee shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding a financial interest in the commercial cannabis business, and separately of all the owners, officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the commercial cannabis business. The register required by this subsection shall be provided to the City Manager promptly upon request.

(D) **Retention of records.** All records collected by a permittee pursuant to this chapter shall be maintained for a minimum of seven (7) years and shall be made available by the permittee to the agents or employees of the city upon request, except that private medical records shall be made available only pursuant to a properly executed search warrant, subpoena, or court order.

(E) **Inventory control records.** All permittees shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing, production, manufacturing, laboratory testing, and distribution processes until purchase as set forth under the state cannabis laws.

(F) **City access to books and records.** Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPAA) regulations, each permittee shall allow city officials, employees, and their designees who are authorized to enforce the provisions of this code to have access to each commercial cannabis business's books, records, accounts, together with any other data or documents relevant to its commercial cannabis activities, for the purpose of conducting an audit or examination. Each permittee shall produce books, records, accounts, and any and all relevant data or documents no later than 24 hours after receipt of the city's request, unless otherwise stipulated by the city. The city may require the materials to be submitted in an electronic format that is compatible with the city's software and hardware.

5.36.210 Right of access and testing.

(A) **City access to premises.** City officials, employees, and their designees authorized to enforce the provisions of this code shall have full access to the premises and records of every commercial cannabis business in order to:

(1) Inspect the premises for compliance with this code, the California Building Code, the California Fire Code and the state cannabis laws.

(2) Test any systems or equipment possessed by, in control of, or used by a permittee, any permittee representative, or any other agent or volunteer of a permittee.

(3) Test any cannabis or cannabis product possessed by, in control of, or used by a permittee, any permittee representative, or any other agent or volunteer of a permittee.

(4) Copy any materials, books, or records of any permittee, any permittee representative or any other agent or volunteer of a permittee.

(B) **Obstruction prohibited.** It is unlawful for any permittee, permittee representative or any other agent or volunteer of a permittee to impede, obstruct, interfere with, or otherwise not to allow, the city to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law. Failure by any permittee, representative or any other agent or volunteer of a permittee to cooperate and participate in any inspection or investigation conducted under this section shall itself be a violation of this chapter.

(C) **Purpose for access.** City officials, employees, and their designees authorized to enforce the provisions of this code shall have rights of access under subsection (A) of this section during any inspection, investigation, review, audit, or as otherwise allowed by law.

(D) **Notice not required.** Prior notice of an inspection, investigation, review, or audit is not required.

(E) **Time of inspection.** Any inspection, investigation, review, or audit of a premises shall be conducted anytime the permittee is exercising privileges under a commercial cannabis permit issued pursuant to this chapter or as otherwise agreed to by the city and permittee.

(F) **No deprivation of constitutional rights.** This subsection shall not be construed to deprive a permittee, permittee representative or any other agent or volunteer of a permittee, of any privileges guaranteed by the Constitutions of the United States and/or the state of California, or any other statutory privileges.

5.36.220 Limitation on city liability.

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To the fullest extent permitted by law, the city shall not incur or assume any direct or indirect liability to any applicant, permittee, permittee representative, government agency or other third party as a result of its review of applications for commercial cannabis permits or its approval or issuance of commercial cannabis permits pursuant to this chapter. As a condition of any application submittal or issuance of a commercial cannabis permit, the applicant, permittee or permittee representative, as applicable shall defend (with counsel of city's choosing), indemnify and hold the city, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of, pertaining to, or incident to the city's issuance of the commercial cannabis permit, the process used by the city in making its decision to issue a commercial cannabis permit or approve the operation of the commercial cannabis business, the operation of the commercial cannabis business or the prosecution of the applicant, permittee, or any permittee representative for violation of federal law or the state cannabis laws, including without limitation the payment of all settlement amounts, expert witness fees and attorney's fees and other related costs and expenses.

5.36.230 Fees and charges.

(A) No person may commence operation of or continue to operate any commercial cannabis business or engage in any commercial cannabis activity in the city, without timely paying in full all fees and charges required for the operation of a commercial cannabis business. Fees and charges associated with the operation of a commercial cannabis business shall be established by resolution of the City Council, which may be amended from time to time. All fees required under this chapter are nonrefundable unless otherwise specified.

(B) All commercial cannabis businesses authorized to operate under this chapter shall pay all sales, use, business and other applicable taxes including those that may be adopted by the city, and all license, registration, and other fees required under federal, state and local law, including those that may be required in the commercial cannabis operational agreement.

5.36.240 Violations and penalties.

(A) **Violations.** It is unlawful to:

(1) Own, operate, set up, conduct, maintain, facilitate, or direct a commercial cannabis business or a commercial cannabis activity in the city without a valid commercial cannabis permit authorizing such commercial cannabis business or a commercial cannabis activity;

(2) Participate as an employee, contractor, agent, volunteer, or in any other capacity in a commercial cannabis business or a commercial cannabis activity in the city that is operating without a valid commercial cannabis permit;

(3) Use any parcel or any portion of parcel of land for a commercial cannabis business or a commercial cannabis activity without a valid commercial cannabis permit;

(4) Lease, rent to, or otherwise allow a commercial cannabis business or a commercial cannabis activity to occupy or access any parcel or portion of parcel of land in the city without a valid commercial cannabis permit.

(B) **Penalties.** It shall be unlawful for any person to violate any provision, or to fail to comply with the requirements, of this chapter or any rule, policy or regulation adopted hereunder or any term or condition imposed on a commercial cannabis permit. Violations of any of the provisions or failing to comply with any of the mandatory requirements of this chapter, any rule, policy or regulation adopted hereunder, or any term or condition imposed on the commercial cannabis permit may be enforced pursuant to the provisions of Chapter 1.08 of this code. Each day that a violation continues is deemed to be a new and separate offense. No proof of knowledge, intent, or other mental state is required to establish a violation.

(C) **Public nuisance.** Any condition caused or allowed to exist in violation of any of the provisions of this chapter, any rule, policy or regulation adopted hereunder or any term or condition imposed on a commercial cannabis permit is a public nuisance and may be abated by the city, or by the City Attorney on behalf of the people of the state of California, as a nuisance by means of a restraining order, injunction, or any other order or judgment in law or equity issued by a court of competent jurisdiction. The city, or the City Attorney on behalf of the people of the state of California, may seek injunctive relief to enjoin violations of, or to compel compliance with, this chapter or seek any other relief or remedy available at law or equity, including the imposition of monetary civil penalties. Each day that a violation continues is deemed to be a new and separate offense. Civil penalties for violations of this chapter may be assessed at a rate not to exceed \$10,000 per violation per day.

(D) **Aiding and abetting.** Whenever in this chapter any act or omission is made unlawful, it shall include causing, aiding, abetting, suffering, or concealing the fact of such act or omission.

(E) **Remedies cumulative.** The remedies specified in this section are cumulative and in addition to any other remedies available under state or local law for a violation of this Code.

(F) **City's police power not limited.** Nothing in this section shall be construed as requiring the city to allow, permit, license, authorize, or otherwise regulate commercial cannabis activity, or as abridging the city's police power with respect to enforcement regarding commercial cannabis activity.

(G) **State law.** Violations of this chapter may be enforced by any applicable law; provided, however, that a person who is in full compliance with the Compassionate Use Act (California Health & Safety Code Section 11362.5) ("CUA"), the Medical Marijuana Program Act (California Health & Safety Code Section 11362.7 *et seq.*) ("MMPA"), Adult Use of Marijuana Act (Proposition 64) ("AUMA"), and Medicinal and Adult-Use Cannabis Regulation and Safety Act (SB 94) ("MAUCRSA") shall not be subject to criminal penalties and nothing in this chapter is intended, nor shall it be construed, to conflict with or burden any defense to criminal prosecution under the CUA, the MMPA, the AUMA or the MAUCRSA.

CHAPTER 9.19
CANNABIS CULTIVATION

Sections

| | |
|----------|---|
| 9.19.010 | Definitions. |
| 9.19.020 | Commercial cannabis businesses and activities prohibited if not expressly authorized in Chapter 5.36. |
| 9.19.030 | Public nuisance declared. |
| 9.19.040 | Violations. |

9.19.010 Definitions.

For the purpose of this chapter, the following words and phrases will be construed to have the meanings set forth in this chapter unless it is apparent from the context that a different meaning is intended.

“**Cannabis**” means as defined in § 5.36.020 of this code.

"**Commercial cannabis activity**" means as defined in § 5.36.020 of this code.

"**Commercial cannabis business**" means as defined in § 5.36.020 of this code.

"**Cultivation**" means as defined in § 5.36.020 of this code.

9.19.020 Commercial cannabis businesses and activities prohibited if not expressly authorized in Chapter 5.36.

(A) Any commercial cannabis business or commercial cannabis activity that is not expressly permitted pursuant to chapter 5.36 of this code is prohibited in the city. No person shall locate, operate, own, suffer, allow to be operated or aid, abet or assist in the operation of any commercial cannabis business or commercial cannabis activity within the city unless such commercial cannabis business or commercial cannabis activity is expressly permitted pursuant to chapter 5.36 of this code.

(B) By way of example, cannabis cultivation is not authorized in Chapter 5.36, and thus is prohibited in the city. No person shall engage, aid, abet or assist in the operation of any cannabis cultivation or otherwise cultivate any amount of cannabis, other than for personal use as allowed by state law pursuant to the authority described in § 9.19.040.

9.19.030 Public nuisance declared.

Cannabis cultivation, and the operation of any commercial cannabis business or commercial cannabis activity that is not expressly permitted pursuant to chapter 5.36 of this code within the city is hereby declared a public nuisance and shall be abated pursuant to all available remedies.

9.19.040 Violations.

Violations of this chapter may be enforced by any applicable law; provided, however, that a person who is in full compliance with the Compassionate Use Act (California Health & Safety Code Section 11362.5) ("CUA"), the Medical Marijuana Program Act (California Health & Safety Code Section 11362.7 *et seq.*) ("MMPA") Adult Use of Marijuana Act (Proposition 64) ("AUMA"), and Medicinal and Adult-Use Cannabis Regulation and Safety Act (SB 94) ("MAUCRSA") shall not be subject to criminal penalties and nothing in this chapter is intended, nor shall it be construed, to conflict with or burden any defense to criminal prosecution under the CUA, the MMPA, the AUMA or the MAUCRSA.

Appendix B:

Draft Resolution:

*Rules and Regulations for
Permitting Commercial Cannabis Business*

**EXHIBIT “A”
TO
RESOLUTION NO. 2020-XXX
RULES AND REGULATIONS
FOR
PERMITTING COMMERCIAL CANNABIS BUSINESSES
(CMC § 5.36)**

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I. PURPOSE.

The purpose of these Rules and Regulations is to establish the procedures and requirements for the submittal of applications for, and the issuance of, commercial cannabis permits authorized by Chapter 5.36 of the Corona Municipal Code (“CMC”).

II. AUTHORITY AND SCOPE; DEFINITIONS.

These Rules and Regulations are authorized to be adopted pursuant to CMC § 5.36.040, and are intended to clarify and facilitate implementation of CMC Chapter 5.36. These Rules and Regulations shall apply to all applications for commercial cannabis permits submitted for commercial cannabis activities pursuant to CMC Chapter 5.36. To the extent of any conflict between these Rules and Regulations and CMC Chapter 5.36, the terms of CMC Chapter 5.36 shall govern. Unless the context otherwise clearly indicates, the terms used herein shall have the same meaning as defined in CMC § 5.36.020.

III. COMMERCIAL CANNABIS PERMIT APPLICATION FOR ALL COMMERCIAL CANNABIS BUSINESSES.

A. Application Period.

1. Retailers and Storefront Retail Microbusinesses. The City Manager will designate the application period for the submittal of applications for commercial cannabis permits for retailers and storefront retail microbusinesses. Notice of the application period dates shall be posted on the City’s website no less than fourteen (14) calendar days prior to the start of the application period. The application period will run for forty-five (45) consecutive calendar days. The City Manager, in his/her sole discretion, may extend the length of the application period on terms he/she specifies. Notice and terms for any such extension will be posted on the City website. Applications for commercial cannabis permits for retailers and storefront retail microbusinesses will only be accepted during the application period established by the City Manager. Late applications will be disqualified from consideration.

2. Non-Storefront Retailers, Manufacturers, Distributors, Testing Laboratories and Microbusinesses Other than Storefront Retail Microbusinesses. Applications for commercial cannabis permits for non-storefront retailers, manufacturing, distribution, testing laboratories and microbusiness other than storefront retail microbusinesses may be submitted at any time.

B. Application Packet.

As further described in Sections III(C) and III(E) below, the following are the submittal items that an applicant seeking to obtain a commercial cannabis permit to operate a commercial cannabis business within the City is required to submit. In order for an application packet to be deemed complete, all items listed below must be submitted to the City Manager. Application packets shall be no longer than 75 pages of text (single-sided) and 25 pages of images for a total of 100 pages.

1. Application Form. Section III(E)(1) below.
2. Premises Information. Section III(E)(2) below.
3. Business Plan. Section III(E)(3) below.
4. Operations Plan. Section III(E)(4) below.
5. Security Plan. Section III(E)(5) below.
6. Site/Floor Plan. Section III(E)(6) below.
7. Merit-Based Information (If Applicable). Section III(E)(7) below.
8. Live Scan/Background Checks. Section III(E)(8) below.
9. Additional Information. Section III(E)(9) below.
10. Application Fees. See Section III(C) below.

C. Application Fees.

All City fees related to an application for a commercial cannabis permit shall be as established by resolution of the City Council.

D. Number of Applications.

There is no limit to the number of applications an applicant may submit for a commercial cannabis permit. However, except as otherwise provided in CMC § 5.36.060, no more than one (1) commercial cannabis permit will be issued to any person who is the owner of or has a financial interest in a retail commercial cannabis business or storefront retail microbusiness commercial cannabis business within the City.

E. Application Requirements.

1. Application Form. The City Manager shall provide an application form for commercial cannabis permits. The application shall be completed and signed by the owner(s) of the commercial cannabis business. The completed application must include at least the following:

a. Applicant Information. The applicant's name, address, telephone number and e-mail address. For applicants who are individuals, the applicant shall provide both the first and last name of the individual. For applicants that are business entities, the applicant shall provide

the legal name of the business entity and, if applicable, the business trade name (i.e., DBA) of the applicant.

b. Owner, Officer and Manager Information. The name, address, telephone number, e-mail address and age of all owners, officers and managers and the percentage of ownership interest or other financial interest, if any, held by each owner, officer and manager. The applicant shall include documentation validating the identity and age of all owners, officers and managers.

c. Contact Information. Contact information for the applicant's designated primary contact person including the name, title, address, phone number, and email address of the individual.

d. Business Entity Status. If any applicant or owner is a business entity or any other form of entity, the entity's legal status, formation documents (articles of incorporation, operating agreements, partnership agreements, and fictitious business name statements), and proof of registration with, or a certificate of good standing from, the California Secretary of State, as applicable.

e. Cannabis Activity. The type of commercial cannabis permit the applicant is applying for and whether the proposed commercial cannabis business will involve medicinal cannabis requiring a M-License and/or adult use requiring an A-License.

f. Cannabis Activity Experience. A description of any and all commercial cannabis activity that the applicant and all owners, officers, and managers of the commercial cannabis business have engaged in as an owner, manager, lender, employee, volunteer, or agent over the previous five (5) years, including, but not limited to, the location of such activity and a copy of any permits, licenses, or other written forms of permission for such activity by a local or state government entity. The applicant shall include a list of the license types and the license numbers issued from the State of California and all other out-of-state or local licensing authorities that the applicant holds, including the date the license was issued and the licensing authority that issued the license, permit or other authorization.

g. Cannabis Activity Denials, Suspensions or Revocations. Whether the applicant or any owner, officer, or manager of the commercial cannabis business has, within the previous five (5) years, been denied the right to conduct any commercial cannabis activity in any jurisdiction and/or whether such person's authorization to conduct any commercial cannabis activity in any jurisdiction has been suspended or revoked. The applicant shall provide the type of license or permit applied for, the name of the licensing/permitting authority that denied, suspended or revoked the application, the date of denial, suspension, or revocation, the length of suspension, if applicable, and the basis of the denial, suspension, or revocation.

h. Criminal Convictions. Whether the applicant or any owner, officer, or manager of the commercial cannabis business has been convicted of any of the following charges:

- (i) Any felony offense within the previous 10 years.
- (ii) A crime involving the use of money to engage in criminal activity within the previous 10 years.
- (iii) Unlawful possession or use of a firearm within the previous 10 years.
- (iv) Drug-related misdemeanor (other than cannabis) within the previous 3 years.

i. State Law Compliance. A detailed description of how the applicant will meet the requirements of the state cannabis laws, including, but not limited to, track-and-trace, inventory, returns, destruction of products, waste management, environmental sustainability, records retention, and operational requirements.

j. Insurance Compliance. Evidence that applicant has or will be able to obtain and maintain the following amounts and types of insurance, as required by CMC § 5.36.170:

(i) Commercial General Liability with a limit of \$1,000,000 per occurrence/aggregate. Such insurance policy shall name the City and its directors, officials, officers, employees, agents, and volunteers as additional insureds by endorsement with respect to the operation of the commercial cannabis business and compliance with Chapter 5.36, the state cannabis laws or any other applicable law.

(ii) Commercial/Business Automobile Liability with coverage for “any auto” and a limit of \$1,000,000 per accident for bodily and property damage.

(iii) Workers’ Compensation with limits as required by the Labor Code of the State of California.

k. Labor Peace Agreement. An applicant shall attest that it has entered into a labor peace agreement and will abide by the terms of the agreement. For applicants who have not yet entered into a labor peace agreement, the applicant shall provide a notarized statement indicating the applicant will enter into and abide by the terms of a labor peace agreement as soon as reasonably practicable after issuance of a commercial cannabis permit. Once the applicant has entered into the labor peace agreement, the applicant shall provide the City Manager with a copy of the page of the labor peace agreement that contains the signatures of the union representative and the applicant.

l. Required State Financial Information. The applicant shall provide all financial information required by the State of California on its application form.

m. Defense and Indemnification. The applicant shall agree, to the fullest extent permitted by law, to defend (with counsel of City’s choosing), indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of, pertaining to, or incident to the process used by the City in making its decision to issue a

commercial cannabis permit or approve the operation of the commercial cannabis business, the operation of the commercial cannabis business or the prosecution of the applicant, permittee, or any permittee representative for violation of federal law or the state cannabis laws, including without limitation the payment of all settlement amounts, expert witness fees and attorney's fees and other related costs and expenses, as required by CMC § 5.36.220.

2. Premises Information. An application for a commercial cannabis business may be submitted without having secured the legal right to occupy the premises identified in the application (e.g., lease agreement with the premises owner or fee title to the premises); however, the applicant will be required to provide evidence that the applicant has the legal right to occupy and use the premises to operate a commercial cannabis business prior to issuance of a commercial cannabis permit. At a minimum, the applicant shall provide the following information concerning the proposed premises at the time of submittal of an application for a commercial cannabis permit:

a. Address(es). The physical address of the premises where the commercial cannabis activity is proposed to be conducted. Applicants for storefront retailer commercial cannabis permits or storefront retail microbusiness commercial cannabis permits may identify multiple potential premises locations in their application, and are encouraged to identify several potential premises since one or more of the premises identified in the application may no longer be available for occupancy by the applicant depending upon the applicant's ranking at the conclusion of the merit-based evaluation process. If a storefront retailer or storefront retail microbusiness applicant identifies more than one potential premises, the information required by subsections (b) through (d) below shall be provided for each potential premises.

b. Zoning Compliance. Evidence that the premises are located in a zoning district where commercial cannabis businesses are permitted pursuant to Title 17 of the CMC and that the premises satisfy the separation requirements set forth in CMC § 5.36.070.

c. Property Owner Information. The name, address, telephone number and e-mail address of the record owner of the premises where the commercial cannabis activity is proposed to be conducted if different than the applicant. If the applicant is the record owner of the premises where the commercial cannabis activity is proposed to be conducted, the applicant shall provide a copy of the title or deed to the premises.

d. Property Owner Affidavit. If the applicant is not the record owner of the premises where the commercial cannabis activity is proposed to be conducted, an affidavit from the record owner of the premises acknowledging that the premises are available for operation by the applicant of the type of commercial cannabis activity described in the applicant's application.

3. Business Plan. The applicant shall submit a business plan that contains, at a minimum, the following information:

a. Scope of Work. A defined scope of work which describes the planning, construction and implementation efforts needed to conduct all aspects of the proposed commercial cannabis activity at the identified premises.

- b. Revenue and Expenses. Estimated revenues and expenses.
 - c. Operation Ability. A demonstrated ability to commence operations quickly upon City approval and to sustain operations in a highly regulated industry.
 - d. Financial Plan/Budget. A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget should demonstrate sufficient capital in place to pay startup costs and at least 3 months of operating costs, as well as a description of the sources and uses of funds.
 - e. Funding/Proof of Capitalization. Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, letters of credit or other equivalent assets.
 - f. Supply Agreements. Proof of ability to obtain products necessary to conduct the proposed commercial cannabis activity at the identified premises.
4. Operations Plan. The applicant shall submit an operations plan that contains, at a minimum, the following information:
- a. Schedule for Opening. A schedule for beginning operations, including planning and completion of any proposed construction and improvements.
 - b. Staffing, Training & Education. A description of staffing levels, employee training, and consumer education.
 - c. Standard Operating Procedures. A description of standard operating procedures for daily operations, including, but not limited to, mechanisms for ensuring compliance with state and local laws.
 - d. Air Quality/Odor Control. A description of the ventilation and air purification (odor) control system proposed to be used at the premises.
5. Security Plan. The applicant shall submit a security plan that contains, at a minimum, the following information:
- a. Employees. A description of employee roles and responsibilities, including, but not limited to, safety education and theft reduction.
 - b. Security Guards. A description of security guard coverage, duties, protocols and daily procedures and operations.
 - c. Security Procedures. A detailed description of the proposed security measures for the premises, including, but not limited to, ingress and egress access, perimeter

security, product access protocols, product security (at all hours, including during deliveries) and internal security measures.

d. Cash Management. A description of cash handling processes and procedures.

e. Video Camera Surveillance. A description of the video surveillance system proposed for the premises, including camera placement, quality and practices for the maintenance of video surveillance equipment, live feed capability and storage of video footage.

f. Alarm System. A description of the alarm system proposed for the premises.

6. Site/Floor Plan. The applicant shall submit a complete and detailed diagram of the proposed premises. The diagram must be to scale. If the proposed premises consist of only a portion of a parcel of property or structure, the diagram must be labeled indicating on which part of the property/structure the proposed premises will be located and how the remaining property/structure is used. If a storefront retailer or storefront retail microbusiness applicant identifies more than one potential premises, the applicant shall provide a separate diagram for each premises identified in the application. The diagram shall include the following:

a. Details. All boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways.

b. Activity Locations. Identification of the principal activity to be conducted in each area of the premises.

c. Limited Access Area. Identification of all limited-access areas.

7. Merit-Based Information (Storefront Retailers & Storefront Retail Microbusinesses). As further explained in Section IV(B)(4) below, applications for storefront retailers and storefront retail microbusinesses that are granted application clearance pursuant to Section IV(B)(2) below will advance to the competitive, merit-based evaluation process set forth in Section IV(B)(4). Therefore, an applicant for a storefront retailer commercial cannabis permit or storefront retail microbusiness commercial cannabis permit should include in the applicant's application packet such additional information and documentation that the applicant believes will address or be responsive to the Retail Merit-Based Selection Criteria described in Section IV(B)(4) below. As part of the competitive, merit-based evaluation process, the City reserves the right to review and score applications for storefront retail microbusinesses as a whole and in their entirety, and thus shall not be limited to reviewing only the storefront retailer component of such applications.

8. Live Scan/Background Checks. Applicants shall submit proof that they have submitted a Request for Live Scan Service form (or similar authorized form), have had fingerprints rolled, and have paid all required fees for live scan/background checks for all owners, officers,

managers and any proposed employees of the commercial cannabis business. Applicants shall not begin the live scan/background check process earlier than thirty (30) calendar days prior to and no later than fourteen (14) calendar days following submittal of their application form for a commercial cannabis permit; provided, however, that the application shall not be considered complete and subject to review for application clearance until all live scan/background check results have also been received by the City Manager.

9. Additional Information. As provided for in CMC § 5.36.040 and § 5.36.080, applicants shall follow any other rules, regulations, standards, policies and other requirements determined by the City Manager to be necessary to carry out the purposes of this chapter or any rules and regulations adopted by the City Council.

IV. PHASE I OF APPLICATION REVIEW – PRELIMINARY APPROVAL.

A. Review Standard & Period.

1. Standard for Review. Upon receipt of an application packet for a commercial cannabis permit, the City Manager shall review the application packet and conduct an investigation to ascertain whether such application should be granted application clearance, as provided for herein, in accordance with CMC § 5.36, these rules and regulations, and any rules, regulations, standards, policies and other requirements adopted by the City Manager.

2. Review Period. The City Manager shall grant application clearance or reject the application within twenty (20) business days of the City’s receipt of the results of the live scan/background check for all owners, officers, managers and proposed employees of the commercial cannabis business. The twenty (20) business day period may be extended by the City Manager for up to ten (10) additional business days, if necessary, to complete the review and investigation.

B. Preliminary Approval – Storefront Retailers and Storefront Retail Microbusinesses.

1. Conditions of Preliminary Approval. The City Manager shall preliminarily approve an application for a storefront retailer commercial cannabis permit or a storefront retail microbusiness commercial cannabis permit if both of the following conditions are satisfactorily met: (1) the applicant obtains application clearance pursuant to Section IV(B)(2) below; and (2) the application undergoes the merit-based evaluation process and is reviewed, evaluated and ranked by the review panel, pursuant to Section IV(B)(4) below.

2. Application Clearance. An application shall advance to the merit-based evaluation process set forth in Section IV(B)(4) below only if it is granted application clearance. The City Manager shall grant application clearance, unless he or she makes any of the following findings:

a. Unpaid Fees. The applicant has not paid all fees required pursuant to CMC Chapter 5.36 or other applicable laws, rules or regulations.

b. Application Disqualification. The application is incomplete, submitted late, or is otherwise not responsive to the requirements of CMC Chapter 5.36 or these Rules and Regulations.

c. False or Misleading Statement; Material Fact Omission. The application contains a false or misleading statement or omission of a material fact.

d. Age Disqualification. The applicant or any owner, officer or manager is not at least twenty-one (21) years old.

e. Unpaid Administrative Fines or Penalties. The applicant or any owner, officer or manager has unpaid and overdue administrative fines or penalties imposed for violations of the CMC.

f. Unpaid Civil Judgment. The applicant or any owner, officer or manager has an unpaid civil judgment imposed for violation(s) of the CMC.

g. Live Scan/Background Checks. The City has not received the live scan/background check results for all owners, officers, managers and any proposed employees of the commercial cannabis business.

h. Criminal Convictions. The applicant or any owner, officer or manager has been convicted of any of the following charges:

(i) Any felony offense within the past ten (10) years;

(ii) A crime involving use of money to engage in criminal activity within the past ten (10) years;

(iii) Unlawful possession or use of a firearm within the past ten (10) years; or

(iv) Drug-related misdemeanor (other than cannabis) within the past three (3) years.

i. Drug Probation or Parole. The applicant or any owner, officer or manager is on probation or parole for the sale of drugs (other than cannabis).

j. Cannabis Activity Denials or Revocations. The applicant or any owner, officer, or manager of the commercial cannabis business has, within the previous five (5) years, been denied the right to conduct any commercial cannabis activity in any jurisdiction and/or such person's authorization to conduct any commercial cannabis activity in any jurisdiction has been revoked for any reason or suspended for a period of thirty (30) days or more for any reason substantially similar to the reasons described in CMC § 5.36.130(A).

k. Zoning Non-Compliance. The premises are located in a zoning district where commercial cannabis businesses are not permitted, pursuant to Title 17 of the CMC, or that do not satisfy the separation requirements set forth in CMC § 5.36.070. If the applicant for a storefront retailer and/or a storefront retail microbusiness identifies more than one potential premises in the application, any potential premises that are not located in a zoning district where commercial cannabis businesses are permitted, pursuant to Title 17 of the CMC or that do not satisfy the separation requirements set forth in CMC § 5.36.070 will not be considered or reviewed as part of the merit-based evaluation process set forth in Section IV(B)(4) below.

l. Non-Compliance with Any Law or Other Legal Requirement. The premises or the operation of the applicant's commercial cannabis business, as described in its application, would fail to comply with any provision of the CMC, these rules and regulations, any rules, regulations, standards, policies and other requirements adopted by the City Manager, or any state law or regulation.

3. Notice of Decision. The City Manager shall serve the applicant, either personally or by first class mail sent to the applicant's address as listed on the application, with dated written notice of the decision to grant or deny application clearance. The notice shall state the reasons for the decision, the effective date of the decision, the right of the applicant to appeal the decision pursuant to CMC Chapter 1.09, and that the decision will be final if an appeal is not filed within the time permitted.

4. Merit-Based Evaluation Process – Storefront Retailers and Storefront Retail Microbusinesses. Applications for storefront retailers and storefront retail microbusinesses that are granted application clearance pursuant to Section IV(B)(2) above will advance to the competitive, merit-based evaluation process set forth in this Section. Each application will be reviewed, evaluated and ranked by a review panel, appointed by the City Manager pursuant to Sections IV(B)(4)(a) and (b) below, based on the specific merit-based selection criteria and point system set forth in this Section IV.

a. Review Panel - Number and Selection of Panel Members. All storefront retailer and storefront retail microbusiness applications shall be reviewed, evaluated, scored and ranked by a review panel composed of no fewer than 3 and no more than 5 individuals selected by the City Manager.

b. Review Panel - Criteria for Section. The review panel shall meet the following criteria:

(i) No Financial Conflicts of Interest. All members shall be free of financial conflicts of interest, as determined pursuant to the laws, rules and regulations of the Political Reform Act.

(ii) Planning Experience. At least one (1) member shall be a person with experience as a planner for a public agency.

(iii) Public Safety Experience. At least one (1) member shall be a person with police or public safety experience.

(iv) City Business Community Experience. At least one (1) member shall be a person from the City's business community.

(v) No City Participation. No City official, officer, director or employee shall be eligible to serve as a member of the review panel.

c. Review Panel - Confidentiality. To maintain objectivity and integrity in the evaluation process, the City Manager shall withhold disclosure of the identity of the members of the review panel. The City Manager may withhold such disclosure for as long as and to the extent deemed necessary in his/her sole discretion; provided that the identity of the members of the review panel shall be disclosed at such time that the written ranking of the applications are posted pursuant to Section IV(B)(4)(g).

d. Independent Facilitator. The review panel's evaluation of the applications and any meetings of the review panel to discuss the applications shall be coordinated and facilitated by an independent consultant selected by the City Manager pursuant to the City's purchasing ordinance and regulations.

e. Merit-Based Evaluation Criteria. The review panel shall use the criteria and point system described in the Storefront Retail Merit-Based Evaluation Criteria attached hereto as Attachment "A" and incorporated herein by reference.

f. Evaluation Period. The review panel will endeavor to complete its evaluation of the applications within forty-five (45) calendar days of the date on which the last application which will advance to the merit-based evaluation has received application clearance. The 45 calendar day evaluation period may be extended by the review panel for up to an additional fifteen (15) calendar days, if necessary, to complete the evaluation process.

g. Ranking of Applicants.

(i) Written Ranking. Upon completion of the evaluation process, the review panel shall produce a written ranking of the applications from highest to lowest, based upon the combined total points allocated to each application by the members of the review panel using the Storefront Retail Merit-Based Evaluation Criteria. The ranking shall be prepared in a written form which has been approved by the City Manager. The written ranking shall include the points allocated to each application by each member of the review panel (without identification of the panel member who gave each score) and shall be signed or initialed by the facilitator, acknowledging that the points are accurate and the ranking represents the final decision of the review panel.

(ii) Notice of Ranking. The written ranking shall be posted on the City's website and served on each applicant, either personally or by electronic mail addressed to the e-mail address listed on the application.

(iii) No Appeal. The final ranking of the review panel shall be final and shall not be subject to appeal.

(iv) Expiration of Ranking. The final ranking of the review panel shall expire twelve (12) months from the date it is posted on the City's website; provided that the City Manager, in his/her sole discretion, may extend the expiration date for an additional twelve (12) month period. Upon expiration of the final ranking, any applicant who has not obtained final approval of their application pursuant to Section VI shall be deemed to have forfeited the commercial cannabis permit application and any right to a commercial cannabis permit. If, prior to expiration of the final ranking of the review panel, the maximum number of commercial cannabis permits that are available for issuance to retailers and storefront retail microbusinesses within the City pursuant to CMC § 5.36.060 have not yet been approved and issued pursuant to Section VI, the City Manager shall designate a new application period pursuant to Section III(A) and a new application submittal and review process shall commence subject to the provisions set forth herein.

5. Preliminary Approval. An application for a storefront retailer commercial cannabis permit or a storefront retail microbusiness commercial cannabis permit shall receive preliminary approval once it is placed on the written ranking form.

6. Advancement to Phase II – Provisional Approval. An application which receives preliminary approval pursuant to this Section IV(B) shall advance to Phase II of Application Review (Provisional Approval) set forth in Section V.

C. Preliminary Approval – Non-Storefront Retailers, Manufacturers, Distributors, Testing Laboratories and Microbusinesses Other than Storefront Retail Microbusinesses.

1. Condition of Preliminary Approval. The City Manager shall preliminarily approve an application for a commercial cannabis permit which involves a non-storefront retailer, manufacturing, distribution, testing laboratory or microbusiness other than a storefront retail microbusiness if the applicant obtains application clearance pursuant to Section IV(C)(2) below.

2. Application Clearance. The City Manager shall grant application clearance, unless he or she makes any of the following findings:

a. Unpaid Fees. The applicant has not paid all fees required pursuant to CMC Chapter 5.36 or other applicable laws, rules or regulations.

b. Application Disqualification. The application is incomplete, submitted late, or is otherwise not responsive to the requirements of CMC Chapter 5.36 or these Rules and Regulations.

c. False or Misleading Statement; Material Fact Omission. The application contains a false or misleading statement or omission of a material fact.

d. Age Disqualification. The applicant or any owner, officer or manager is not at least twenty-one (21) years old.

e. Unpaid Administrative Fines or Penalties. The applicant or any owner, officer or manager has unpaid and overdue administrative fines or penalties imposed for violations of the CMC.

f. Unpaid Civil Judgment. The applicant or any owner, officer or manager has an unpaid civil judgment imposed for violation(s) of the CMC.

g. Live Scan/Background Checks. The City has not received the live scan/background check results for all owners, officers, managers and any proposed employees of the commercial cannabis business.

h. Criminal Convictions. The applicant or any owner, officer or manager has been convicted of any of the following charges:

(i) Any felony offense within the past ten (10) years;

(ii) A crime involving use of money to engage in criminal activity within the past ten (10) years;

(iii) Unlawful possession or use of a firearm within the past ten (10) years; or

(iv) Drug-related misdemeanor (other than cannabis) within the past three (3) years.

i. Drug Probation or Parole. The applicant or any owner, officer or manager is on probation or parole for the sale of drugs (other than cannabis).

j. Cannabis Activity Denials or Revocations. The applicant or any owner, officer, or manager of the commercial cannabis business has, within the previous five (5) years, been denied the right to conduct any commercial cannabis activity in any jurisdiction and/or whether such person's authorization to conduct any commercial cannabis activity in any jurisdiction has been revoked for any reason or suspended for a period of thirty (30) days or more for any reason substantially similar to the reasons described in CMC § 5.36.130(A).

k. Zoning Non-Compliance. The premises are located in a zoning district where commercial cannabis businesses are not permitted, pursuant to Title 17 of the CMC, or that do not satisfy the separation requirements set forth in CMC § 5.36.070.

1. Non-Compliance with Any Law or Other Legal Requirement. The premises or the operation of the applicant's commercial cannabis business, as described in its application, would fail to comply with any provision of the CMC, these rules and regulations, any rules, regulations, standards, policies and other requirements adopted by the City Manager, or any state law or regulation.

3. Preliminary Approval. An application for a commercial cannabis permit which involves a non-storefront retailer, manufacturing, distribution, testing laboratory or a storefront retail microbusiness shall receive preliminary approval once it has been granted application clearance.

4. Notice of Decision. The City Manager shall serve the applicant, either personally or by first class mail sent to the applicant's address as listed on the application, with dated written notice of the decision to grant or deny application clearance. The notice shall state the reasons for the decision, the effective date of the decision, the right of the applicant to appeal the decision pursuant to CMC Chapter 1.09, and that the decision will be final if an appeal is not filed within the time permitted.

5. Advancement to Phase II – Provisional Approval. An application which receives preliminary approval pursuant to this Section IV(C) shall advance to Phase II of Application Review (Provisional Approval) set forth in Section V.

V. PHASE II OF APPLICATION REVIEW – PROVISIONAL APPROVAL.

A. Provisional Approval – Storefront Retailers and Storefront Retail Microbusinesses.

1. Conditions of Provisional Approval. The City Manager shall provisionally approve an application for a storefront retailer commercial cannabis permit or a storefront retail microbusiness commercial cannabis permit if each of the following conditions are satisfactorily met: (1) pursuant to Section V(A)(2) below, the applicant successfully identifies a preferred premises location that has not been identified by a higher ranked applicant; (2) pursuant to Section V(A)(3) below, the applicant provides satisfactory proof of premises control for that site; and (3) pursuant to Section V(C) below, the applicant satisfactorily executes and delivers to the City Manager an operational agreement with the City.

2. Preferred Premises Location.

a. Submittal of Requested Preferred Premises Locations. Pursuant to CMC § 5.36.060, a maximum of twelve (12) commercial cannabis permits are currently available for issuance to retailers and storefront retail microbusinesses within the City. Within five (5) business days of the date of the notice of the review panel's final ranking pursuant to Sections IV(B)(4)(g) above, each applicant, in ranked order, shall be required to identify the applicant's preferred premises location on a form provided by the City Manager. The five (5) business day period may be extended by the City Manager for up to five (5) additional business days, if the City Manager determines that the applicant needs additional time to identify the applicant's preferred premises

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location. If any applicant fails to submit the applicant's preferred premises location by the end of this five (5) business day period or such extended period of time permitted by the City Manager pursuant to this section, the applicant shall be deemed to have forfeited the commercial cannabis permit application and any right to a commercial cannabis permit.

b. Location Must Have Been Included on Application. No applicant shall be allowed to submit a preferred premises location for consideration unless the premises were included on the application. If an applicant submits a preferred premises location for consideration that is not on the application, the location will not be reviewed and the applicant shall be deemed to have forfeited the commercial cannabis permit application and any right to a commercial cannabis permit.

c. Review of Preferred Premises Location. Beginning with the applicant that is ranked number one (1), the City Manager shall review that applicant's preferred premises location and confirm that the premises have not been identified and selected as a preferred premises location by a higher ranked applicant.

(i) Failure to Meet Preferred Premises Location Requirements; Resubmittals. If the preferred premises location submitted by that applicant has already been identified and selected as a preferred premises location by a higher ranked applicant, the City Manager shall provide written notice to the applicant, either personally or by electronic mail addressed to the e-mail address listed on the application. Within five (5) business days of the date of the City Manager's notice, the applicant shall be required to submit another preferred premises location for review by the City Manager and a determination whether that location has already been identified and selected as a preferred premises location by a higher ranked applicant. The five (5) business day period may be extended by the City Manager for up to ten (10) additional business days, if the City Manager determines that the applicant needs additional time to identify the applicant's preferred premises location. As stated in Section V(A)(2)(b) above, any preferred premises location submitted must have been identified on the applicant's application. The above submittal and review process may continue until the applicant submits a premises location that has not been identified and selected as a preferred premises location by a higher ranked applicant. If any applicant fails to resubmit the applicant's preferred premises location by the end of this five (5) business day period or such extended period of time permitted by the City Manager pursuant to this Section, the applicant shall be deemed to have forfeited the commercial cannabis permit application and any right to a commercial cannabis permit.

(ii) Satisfaction of Preferred Premises Location Requirements; Notice of Preferred Premises Location. Once it has been confirmed that an applicant's preferred premises location has not been identified and selected as a preferred premises location by a higher ranked applicant, that applicant's approved premises location shall be posted on the City's website and the City Manager shall provide written notice to the applicant, either personally or by electronic mail addressed to the e-mail address listed on the application.

(iii) Continuation in Ranked Order. Once it has been confirmed that an applicant's preferred premises location has not been identified and selected as a preferred premises

location by a higher ranked applicant or the applicant forfeits its commercial cannabis permit application by failing to submit a preferred premises location, or by failing to submit a preferred premises location that has not already been identified and selected as a preferred premises location by a higher ranked applicant, the City Manager will review the preferred premises location submitted by the next ranked applicant in accordance with the same review process set forth above.

(iv) Submittal of Preferred Premises Location Not Identified on Application. If the City Manager determines that all of the preferred premises locations identified on an applicant's application have already been identified and selected as a preferred premises location by a higher ranked applicant, the applicant may identify a preferred premises location that was not identified on the applicant's application provided that the applicant demonstrates that such preferred premises location is located in a zoning district where commercial cannabis businesses are permitted pursuant to Title 17 of the CMC and that such preferred premises location satisfies the separation requirements set forth in CMC § 5.36.070. However, that applicant will forfeit its ranking and will be re-ranked as the last ranked applicant, and the City Manager will thereafter review such preferred premises location in accordance with the same review process set forth above. By way of example, CMC § 5.36.060 currently authorizes a maximum of 12 commercial cannabis permits for retailers and storefront retail microbusinesses. In the event that an applicant who is ranked between 1 and 12 is deemed to have forfeited the applicant's ranking pursuant to this Section, that applicant will be re-ranked to be number 13 on the final ranking list.

3. Proof of Premises Control. Within three (3) business days of the date of the City Manager's notice to an applicant that the applicant's preferred premises location has been approved, the applicant shall submit to the City Manager documentary evidence, such as a lease agreement or deed, demonstrating to the satisfaction of the City Manager that the applicant has the legal right to occupy and use such premises to operate the commercial cannabis business described in the applicant's application. The three (3) business day period may be extended by the City Manager for up to three (3) additional business days, if the City Manager determines that the applicant needs additional time to identify the applicant's preferred premises location. If an applicant is unable to secure the legal right to occupy and use such premises to operate the commercial cannabis business described in the applicant's application within this three (3) day period or such extended period of time permitted by the City Manager pursuant to this Section, the applicant may submit another preferred premises location for review by the City Manager pursuant to Section V(A)(2)(c) above, provided that the applicant's alternative premises location will be reviewed in the order received by the City Manager and not necessarily in the order that the applicant is ranked. If any applicant fails to submit either documentary evidence demonstrating that the applicant has the legal right to occupy and use such premises to operate the commercial cannabis business described in the applicant's application by the end of this three (3) business day period, the applicant shall be deemed to have forfeited the commercial cannabis permit application and any right to a commercial cannabis permit.

4. Provisional Approval. An application for a storefront retailer or storefront retail microbusiness shall receive provisional approval once it has submitted satisfactory evidence of premises control pursuant to Section V(A)(3) above and the applicant has executed, in a manner

deemed acceptable by the City Manager and City Attorney in their sole and absolute discretion, a commercial cannabis operational agreement with the City pursuant to Section V(C) below. The provisional approval shall be conditioned upon the applicant's compliance, within the required time periods, with all provisions of CMC Chapter 5.36, these Rules and Regulations (including, but not limited to, Section VI below), the state cannabis laws and any other applicable state and local laws, rules and regulations.

5. Notice of Decision. The City Manager shall serve the applicant, either personally or by first class mail sent to the applicant's address as listed on the application, with dated written notice of the decision to grant or deny provisional approval. The notice shall state the reasons for the decision, the effective date of the decision, the right of the applicant to appeal the decision pursuant to CMC Chapter 1.09, and that the decision will be final if an appeal is not filed within the time permitted.

6. Advancement to Phase III – Final Approval. An application which receives provisional approval pursuant to this Section V(A) shall advance to Phase III of Application Review (Final Approval) set forth in Section VI.

B. Provisional Approval – Non-Storefront Retailers, Manufacturers, Distributors, Testing Laboratories and Microbusinesses Other than Storefront Retail Microbusinesses.

1. Conditions of Provisional Approval. The City Manager shall provisionally approve an application for a commercial cannabis permit which involves a non-storefront retailer, manufacturing, distribution, testing laboratory or microbusiness other than a storefront retail microbusiness if each of the following conditions are satisfactorily met: (1) pursuant to Section V(B)(2) below, the applicant provides satisfactory proof of premises control for that site; and (2) pursuant to Section V(C) below, the applicant satisfactorily executes and delivers to the City Manager an operational agreement with the City.

2. Proof of Premises Control. Within three (3) business days of the date of the City Manager's notice to an applicant that their application has been preliminarily approved as provided for in Section IV(C)(4) above, the applicant shall submit to the City Manager documentary evidence, such as a lease agreement or deed, demonstrating to the satisfaction of the City Manager that the applicant has the legal right to occupy and use such premises to operate the commercial cannabis business described in the applicant's application. The three (3) business day period may be extended by the City Manager for up to three (3) additional business days, if the City Manager determines that the applicant needs additional time to identify the applicant's preferred premises location. If any applicant fails to submit documentary evidence demonstrating that the applicant has the legal right to occupy and use such premises to operate the commercial cannabis business described in the application by the end of this three (3) business day period or such extended period of time permitted by the City Manager pursuant to this Section, the applicant shall be deemed to have forfeited the commercial cannabis permit application and any right to a commercial cannabis permit.

3. Provisional Approval. An application for a commercial cannabis permit which involves a non-storefront retailer, manufacturing, distribution, testing laboratory or microbusiness other than a storefront retail microbusiness shall receive provisional approval once it has submitted satisfactory evidence of premises control pursuant to Section V(B)(2) above and the applicant has executed, in a manner deemed acceptable by the City Manager and City Attorney in their sole and absolute discretion, a commercial cannabis operational agreement with the City pursuant to Section V(C) below.

4. Notice of Decision. The City Manager shall serve the applicant, either personally or by first class mail sent to the applicant's address listed on the application, with dated written notice of the decision to grant or deny provisional approval. The notice shall state the reasons for the decision, the effective date of the decision, the right of the applicant to appeal the decision pursuant to CMC Chapter 1.09, and that the decision will be final if an appeal is not filed within the time permitted.

5. Advancement to Phase III – Final Approval. An application which receives provisional approval pursuant to this Section (V)(B) shall advance to Phase III of Application Review (Final Approval) set forth in Section VI.

C. Commercial Cannabis Operational Agreement.

1. Requirement. Within fourteen (14) calendar days of the date of the City Manager's notice to an applicant that their application has been preliminarily approved as provided for in Section IV(C)(4) above, the applicant shall execute, in a manner deemed acceptable by the City Manager and City Attorney in their sole and absolute discretion, a commercial cannabis operational agreement with the City. The fourteen (14) business day period may be extended by the City Manager for up to fourteen (14) additional business days, if the City Manager determines that the applicant needs additional time to identify the applicant's preferred premises location. Since the commercial cannabis operational agreement will confer substantial private benefit on a permittee and the permittee representatives, it will also provide for consideration to the public to balance the private benefits.

2. Form and Content. In addition to the requirements of Section V(C)(4) below, the commercial cannabis operational agreement shall be in a form and include any other provisions approved by the City Manager and City Attorney in their sole and absolute discretion.

3. Failure to Execute Agreement. If any applicant has not satisfactorily executed a commercial cannabis operational agreement with the City by the end of this fourteen (14) calendar day period or such extended period of time permitted by the City Manager pursuant to this Section, the applicant shall be deemed to have forfeited the commercial cannabis permit application and any right to a commercial cannabis permit.

4. Minimum Provisions of Agreement. The commercial cannabis operational agreement, at a minimum, shall include provisions substantially consistent with the following requirements:

a. Insurance. A requirement to obtain and maintain insurance in the amounts and types acceptable to the City Attorney and to name the City, its directors, officials, officers, employees, agents and volunteers as additional insureds by endorsement.

b. Indemnification. A requirement to defend (with counsel of City's choosing), indemnify and hold the City, its directors, officials, officers, employees, agents and volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of, pertaining to, or incident to the City's issuance of the commercial cannabis permit, the process used by the City in making its decision to issue a commercial cannabis permit or approve the operation of the commercial cannabis business, the operation of the commercial cannabis business or the prosecution of the applicant, permittee, or any permittee representative for violation of federal law or the state cannabis laws, including without limitation the payment of all settlement amounts, expert witness fees and attorney's fees and other related costs and expenses.

c. Operating Fee. One of the purposes of the commercial cannabis operational agreement is to collect fees for the operation of the commercial cannabis business and to provide fees for mitigation options to be used by City to compensate for impacts to City services, residents and/or businesses. The commercial cannabis operational agreement shall therefore include a requirement to pay a monthly operating fee to the City that is based upon the type of commercial cannabis activity permitted on the premises and the gross receipts generated or otherwise received by that activity. As used herein, "gross receipts" shall have the same definition provided for in CMC § 5.02.020. The operating fee for each type of commercial cannabis activity shall be consistent with Council direction and within the following ranges, taking into account any additional consideration to the public provided for in the commercial cannabis operational agreement:

- Storefront Retailer: A rate of up to 9% of the gross receipts generated or otherwise received.
- Non-storefront Retailer: A rate of up to 9% of the gross receipts generated or otherwise received.
- Manufacturing: A rate of up to 7% of the gross receipts generated or otherwise received.
- Distribution: A rate of up to 7% of the gross receipts generated or otherwise received.
- Testing Laboratory: A rate of up to 3% of the gross receipts generated or otherwise received.

- Microbusiness: A rate of up to 9% of the gross receipts generated or otherwise received for the retail portion of the business, plus a rate of 7% of the gross receipts generated or otherwise received for the manufacturing and distribution portions of the business.

d. Audits. A provision that permits the City to inspect and conduct an audit of the books and records of the commercial cannabis business upon request. If such audit discloses an underpayment of the operating fee in excess of five percent (5%) of the amounts which should have been paid, the permittee of such commercial cannabis business shall promptly tender to the City the amount of such underpayment together with interest at the rate of ten percent (10%) computed from the date of underpayment, and shall further reimburse the City for the entirety of its audit costs, including, without limitation, the auditor's costs and expenses, internal costs and expenses, and legal and other third party expenses. If such audit discloses an underpayment of the operating fee of five percent (5%) or less than the amounts which should have been paid, the permittee of such commercial cannabis business shall promptly tender to the City the amount of such underpayment together with interest at the rate of ten percent (10%) computed from the date of underpayment. However, the costs of such audit shall be borne by the City.

e. Community Benefit. For storefront retailers and storefront retail microbusinesses, a commitment to implement any community benefit actions or measures described in the applicant's application packet.

f. Local Hiring Practices. For storefront retailers and storefront retail microbusinesses, a commitment to promote local hiring or implement incentives for local residents to work with the commercial cannabis business, if such practices are described in the applicant's application packet.

g. Local Sourcing Practices. For storefront retailers and storefront retail microbusinesses, a commitment to secure supplies and equipment from local sources, if such practices are described in the applicant's application packet.

VI. PHASE III OF APPLICATION REVIEW – FINAL APPROVAL.

A. Conditions of Final Approval – All Permits.

The City Manager shall grant final permit approval to an application for a commercial cannabis permit if each of the following conditions are satisfactorily met:

1. State License. Within twelve (12) months of the date of the City's provisional approval of a commercial cannabis permit pursuant to Section (V), the applicant shall obtain all State licenses required by the state cannabis laws to authorize the applicant to operate the commercial cannabis business permitted by the commercial cannabis permit. The twelve (12) month period may be extended by the City Manager for up to one hundred eighty (180) additional calendar days, if necessary, for the applicant to obtain all required State licenses provided that the applicant has proceeded with due diligence to obtain such licenses. If the applicant has not

obtained all required State licenses by the end of this twelve (12) month period, as may be extended, the applicant shall be deemed to have forfeited the commercial cannabis permit application and any right to a commercial cannabis permit.

2. City Business License. Within five (5) business days of the date that the applicant obtains all required State licenses, the applicant shall obtain a City business license to conduct the commercial cannabis business permitted by the commercial cannabis permit and pay the license tax, as required by CMC Chapter 5.02. The five (5) business day period may be extended by the City Manager for up to five (5) additional business days, if the City Manager determines that the applicant needs additional time to identify the applicant's preferred premises location. If the applicant has not obtained a City business by the end of this five (5) business day period or such extended time period permitted by the City Manager pursuant to this Section, the applicant shall be deemed to have forfeited the commercial cannabis permit application and any right to a commercial cannabis permit.

3. Building, Fire and Occupancy Permits. Within one hundred eighty (180) calendar days of the date the applicant obtains all required State licenses, the applicant shall take all necessary actions to open its commercial cannabis business, including, but not limited to, completing all construction and tenant improvements and obtaining all building, fire and occupancy permits that will permit the applicant to open the commercial cannabis business to the public. The one hundred eighty (180) calendar day period may be extended by the City Manager for up to sixty (60) additional calendar days, if necessary, for the applicant to obtain the required building, fire and occupancy permits provided that the applicant has proceeded with due diligence to obtain such permits. If the commercial cannabis business is not fully permitted and operating by the end of this one hundred eighty (180) calendar day period, as may be extended, the applicant shall be deemed to have forfeited the commercial cannabis permit application and any right to a commercial cannabis permit.

B. Steps Following Forfeiture – Storefront Retailers and Storefront Retail Microbusinesses.

In the event that an applicant for a storefront retailer commercial cannabis permit or storefront retail microbusiness commercial cannabis permit is deemed to have forfeited the applicant's commercial cannabis permit application and any right to a commercial cannabis permit pursuant to Section V or this Section VI, the next ranked applicant will not be moved up to the ranking of the forfeited applicant. Instead, the City Manager shall provide written notice, either personally or by electronic mail addressed to the e-mail address listed on the application, to the next ranked applicant on the final ranking list form established pursuant to Section V(B)(4)(f) above that is outside the maximum number of commercial cannabis permits that are available for issuance to retailers and storefront retail microbusinesses within the City pursuant to CMC § 5.36.060. By way of example, CMC § 5.36.060 currently authorizes a maximum of 12 commercial cannabis permits for retailers and storefront retail microbusinesses. In the event that an applicant who is ranked between 1 and 12 is deemed to have forfeited the applicant's commercial cannabis permit application and any right to a commercial cannabis permit pursuant to this Section VI, the City Manager will provide notice to the applicant that is ranked number 13 on the final ranking list.

Upon receipt of such notice, that applicant shall be subject to the requirements and forfeiture consequences of these Rules and Regulations and shall be required to submit all forms and documents and take all actions required by Sections IV, V and VI within the time periods established therein.

ATTACHMENT "A"
STOREFRONT RETAIL MERIT-BASED EVALUATION CRITERIA

[SEE ATTACHED 3 PAGES]

STOREFRONT RETAIL MERIT-BASED EVALUATION CRITERIA

All applications for a City of Corona regulatory permit for a storefront retail cannabis business will be evaluated using the merit criteria outlined below to ensure that the most qualified and experienced businesses are authorized to operate within the City. The evaluation process will be conducted by **[**TO BE INSERTED**]**.

| QUALIFICATIONS OF OWNERS/OPERATORS | POTENTIAL POINTS |
|---|------------------|
| <u>CANNABIS BUSINESS EXPERIENCE</u> – Proposal demonstrates Owner’s ¹ experience in owning, managing and operating a legally permitted or licensed retail cannabis business in the United States. | 50 |
| <u>CANNABIS INDUSTRY KNOWLEDGE</u> – Proposal demonstrates Owner’s overall knowledge of the cannabis industry (as demonstrated throughout the application), including identification of how industry best practices and state regulations have been incorporated in existing/prior legal businesses outside the City of Corona. | 40 |
| <u>COMPLIANCE RECORD</u> – Proposal demonstrates record of operating a compliant commercial cannabis or other business, with more points awarded for operating a cannabis business. A compliant business operation does not have a documented history of local or state level violations relating, but not limited to: business code, public safety, environmental impacts, employment, and financial payments. | 40 |
| <u>OTHER BUSINESS OWNERSHIP EXPERIENCE</u> – Proposal demonstrates Owner’s experience and successful management of a permitted or licensed non-cannabis retail business within the City of Corona. | 10 |
| <u>LOCAL OWNERSHIP</u> – Proposal demonstrates that a current resident or business owner within the City owns at least fifty-one percent (51%) of the cannabis business. | 10 |
| SUBTOTAL | 150 |

| BUSINESS PLAN / FINANCIAL INVESTMENT | POTENTIAL POINTS |
|---|------------------|
| <u>FINANCIAL PLAN</u> – Proposal includes a financial plan/budget that demonstrates sufficient financial capacity to capitalize, start up, and sustain business operations, with more points awarded for including a valid pro forma financial statement for at least 3 years of operation. | 40 |
| <u>FUNDING / PROOF OF CAPITALIZATION</u> – Proposal demonstrates or identifies access to operational capital and/or on-going line of credit once business is operational. | 40 |
| <u>OPERATION ABILITY</u> – Proposal demonstrates Owner’s ability to commence business operations quickly upon City approval and to sustain operations in a highly regulated industry. | 30 |

¹ “Owner” shall have the same meaning as set forth in California Business and Professions Code § 26001 AND shall include all persons, companies, or entities that will be directing, controlling, and/or managing the day-to-day operations of the business.
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|---|------------|
| INVESTMENT IN UNDERUTILIZED SITE – Proposal demonstrates Owner’s commitment to major improvements, façade rehabilitation, building expansion, site improvements or other investments in an underutilized/underdeveloped site that is zoned for commercial use. | 20 |
| SUPPLY AGREEMENTS – Proposal demonstrates that Owner has documented agreements with cannabis distributors to supply products to Owner’s business. | 20 |
| SUBTOTAL | 150 |

| OPERATIONS PLAN | POTENTIAL POINTS |
|--|-------------------------|
| AIR QUALITY/ODOR CONTROL – Quality of ventilation and air purification system, including demonstrated effectiveness (proposal may include examples of where a similar system has worked effectively). | 25 |
| CUSTOMER EDUCATION PLAN – Quality and detail of plan for educating customers regarding cannabis products, include the potency and effects of products. | 20 |
| RESPONSIBLE USE MESSAGING – Proposal includes a coherent strategy to keep adult-use cannabis products out of the hands of consumers under the age of 21 and business plans to use “responsible use” language on packaging and messaging. | 20 |
| RECORDS SOFTWARE – Standard operating procedures include electronic tracking and storage of required records of sales, delivery manifests, and inventory (over and above that required by the state’s “track and trace” requirements). | 20 |
| DAILY INSPECTION – Proposal includes a plan for daily inspection to ensure maintenance of the interior and exterior of the facility (i.e., free of trash, graffiti, etc.). | 15 |
| EMPLOYEE TRAINING PLAN – Overall quality of proposed employee training, including training on differences in products, potency of products, customer service, and laws governing personal use. | 10 |
| GREEN PRACTICES – Proposal includes “green” business practices relating to energy and climate, water conservation, and materials/waste storage and disposal. | 10 |
| MARKETING PLAN – Overall quality and detail of marketing strategy. | 5 |
| STANDARD OPERATING PROCEDURES – Overall quality and detail of proposed operating procedures for all aspects of the proposed business, including the extent to which the applicant incorporates industry best practices into the operating procedures. | 5 |
| SUBTOTAL | 130 |

| SECURITY PLAN | POTENTIAL POINTS |
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| <u>SECURITY GUARDS</u> – Quality of proposed security guard plan for the business, including number of guards, hours, protocols, and day-to-day procedures/operations (over and above that required by the state). | 25 |
| <u>VIDEO CAMERA SURVEILLANCE</u> – Proposal includes video camera surveillance. Consideration to be given to the overall quality of Owner’s plan to use cameras, including number of cameras, locations, resolution, how long footage is saved, and whether live feed is proposed for law enforcement (over and above that required by the state). | 25 |
| <u>PRODUCT ACCESS PROTOCOLS</u> – Proposal includes a separate check-in area where identification is checked to ensure that only qualified persons gain access to where cannabis products are displayed. | 25 |
| <u>CASH MANAGEMENT PLAN</u> – Quality and detail of cash management plan, including cash counting/reconciliation procedures, cash storage, cash transport, depositing into a banking institution, and employee training. | 15 |
| <u>PRODUCT DELIVERIES</u> – Quality of plan for securing product deliveries to the business (i.e., from delivery vehicle to building). | 15 |
| <u>EMPLOYEE SAFETY EDUCATION</u> – Quality of employee safety education plan, including training regarding product handling, burglary/robbery protocols, and other potential hazards of the cannabis business. | 10 |
| <u>EMPLOYEE THEFT REDUCTION MEASURES</u> – Quality and extensiveness of employee theft reduction measures, including audits and check in/out. | 10 |
| <u>SECURITY PROCEDURES</u> – Overall quality and detail of proposed security plan and measures contained therein. | 5 |
| SUBTOTAL | 130 |

| COMMUNITY BENEFIT | POTENTIAL POINTS |
|--|-------------------------|
| <u>COMMUNITY BENEFIT</u> – Proposal includes some form of community benefit (sponsor of community events, public improvements, donations to youth programs, etc.). | 40 |
| <u>LOCAL HIRING PRACTICES</u> – Proposal includes plan to promote local hiring or provides incentives for local residents to work with the business. | 20 |
| <u>LOCAL SOURCING PRACTICES</u> – Proposal includes plan to secure supplies and equipment from local sources. | 20 |
| <u>EMPLOYEE RELATIONS</u> – Owner proposes to provide employee health benefits for all employees. | 20 |
| <u>LOCAL EXPERIENCE</u> – Owner or principals in the proposed business have resided in the City of Corona and/or the County of Riverside for at least 5 years. | 20 |
| <u>COLLECTIVE BARGAINING AGREEMENT</u> – Owner or principals in the proposed business have entered into a collective bargaining agreement with its employees setting forth the terms | 15 |

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| and conditions of employment, including rates of pay, hours of work, benefits and other working conditions of employees. | |
| SUBTOTAL | 135 |

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|-------------------------------|------------|
| TOTAL POTENTIAL POINTS | 695 |
|-------------------------------|------------|