CITY OF MORGAN HILL

Regular Meeting Agenda

Planning Commission

Juan Miguel Munoz-Morris - Chairman
Mohammad Habib - Vice Chairman
Joseph Mueller - Planning Commissioner
Wayne Tanda - Planning Commissioner
Laura Gonzalez-Escoto - Planning Commissioner
Malisha Kumar - Planning Commissioner
Liam Downey - Planning Commissioner

Tuesday, August 27, 2019 7:00 pm

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

Pursuant to Government Code Section 54954.2

PLEDGE OF ALLEGIANCE

OPEN PUBLIC COMMENT PERIOD

Members of the public are entitled to address the Planning Commission concerning any item within the Morgan Hill Planning Commission's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the Planning Commission is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

ORDERS OF THE DAY

PUBLIC HEARINGS

1. **ZA2019-0011: ZONING AMENDMENT AMENDING SECTION 18.92.090 OF CHAPTER 18.92 SUPPLEMENTAL STANDARDS OF TITLE 18 (ZONING) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING THE INCORPORATION OF CANNABIS LAND USE STANDARDS**

   Recommendation:

   1. Open/close the public hearing; and,
   2. Adopt Resolution recommending City Council approval of the Zoning Amendment.

DIRECTOR'S REPORT/ANNOUNCEMENTS

ADJOURNMENT

NOTICE

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act that are distributed to a majority of the legislative body less than 72 hours prior to an open session, will be made available for public inspection at the Office of the City Clerk at Morgan Hill City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 at the same time that the public records are distributed or made available to the legislative body. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the Commission concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Commission on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Commission Chambers, and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Commission, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the Commission on any other item of interest to the public, you may do so during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the Commission.

Persons interested in proposing an item for the Commission agenda should contact a member of the Commission who may plan an item on the agenda for a future Commission meeting. Should your comments require Commission action, your request may be placed on the next appropriate agenda. Commission discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the Commission at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the Commission, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of Commission Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email cityclerk@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email cityclerk@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting.

CITY OF MORGAN HILL

PLANNING COMMISSION STAFF REPORT
MEETING DATE: August 27, 2019

PREPARED BY: Jennifer Carman, Community Development Director
APPROVED BY: Jennifer Carman, Community Development Director

ZA2019-0011: ZONING AMENDMENT AMENDING SECTION 18.92.090 OF CHAPTER 18.92 SUPPLEMENTAL STANDARDS OF TITLE 18 (ZONING) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING THE INCORPORATION OF CANNABIS LAND USE STANDARDS

RECOMMENDATION(S)

1. Open/close the public hearing; and,
2. Adopt Resolution recommending City Council approval of the Zoning Amendment.

BACKGROUND:

Commercial cannabis activity is currently not permitted in Morgan Hill. Commercial cannabis activity includes cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, or sale of cannabis and cannabis products.

California voters legalized adult-use cannabis by approving Proposition 64 in November 2016. While personal adult-use cannabis activity became immediately legal upon the passage of Proposition 64, commercial cannabis activity requires a State license. On January 1, 2018, the Bureau of Cannabis Control began issuing commercial cannabis licenses; however, local jurisdictions retain the ability to prohibit and regulate all commercial cannabis activity.

Due to limited data being available and the complexity and varying degrees of regulation around cannabis-related activities, the City Council provided staff direction on February 7, 2018, to conduct a statistically valid survey to better understand the community's receptiveness to cannabis related industries. Survey results were shared at the April 18, 2018, City Council Meeting and can be viewed at the following link: https://www.morgan-hill.ca.gov/DocumentCenter/View/22969/2018-Cannabis-Planning-and-Revenue-Measure-Survey

On November 16, 2018, Morgan Hill residents voted to approve Measure I. Measure I does not allow cannabis business in Morgan Hill; but allows for the taxing of cannabis business if the City decides to approve commercial cannabis.

On February 27, 2019, the City Council held a Cannabis Policy Workshop and heard

from law enforcement officials, cannabis experts and community members regarding the possibilities for cannabis business in Morgan Hill. The Council ultimately directed staff to report back with potential ordinance options and answers to council questions about retail, manufacturing and testing. The Planning Commission was asked to evaluate cannabis business land use related issues.

On July 23, 2019, the Planning Commission held a workshop to discuss land use standards for potential future cannabis businesses. The uses explored were retail, manufacturing, testing and distribution. City Council directed staff not to evaluate cultivation and microbusiness. There were no decisions made at the meeting. Each Commissioner gave comments on their preferences for buffering per use, appropriate zoning for each use and whether a Conditional Use Permit (CUP) should be required. The Commission as a whole appeared comfortable with the standard state buffer of 600 feet from schools, daycare and youth centers, requiring a CUP for each use and using standard zoning classifications rather than creating specialized zoning.

The draft ordinance included as Exhibit A contains the following provisions:

1) Allows Storefront and Non-Storefront Retail cannabis uses in the following districts: Neighborhood Commercial (CN), General Commercial (CG), Highway Commercial (CH), Service Commercial (CS);
2) Allows Manufacturing, Distribution, and Testing Facilities or Laboratories in the following districts: Commercial Industrial (CI), Office Industrial (IO), Campus Industrial (IC), Light Industrial (IL), and General Industrial (IG);
3) Requires that cannabis uses meet all development standards required by the zoning district;
4) Requires a Conditional Use Permit for each cannabis use;
5) Requires a 600-foot separation from sensitive uses in accordance with state law; and,
6) Limits signage; and
7) Requires consistency with Cannabis Business Standards and Chapter 5.48 (Commercial Cannabis Activity).

Should the City Council move forward with allowing commercial cannabis in the City, the land use standards contained within this draft ordinance will be linked with future provisions provided in Chapter 5.48 to complete the City's cannabis regulations. Chapter 5.48 will regulate individual commercial cannabis permits, licensing, safety standards, vendor selection process, etc.

The City Council also requested input from the Commission regarding the recommended number of retail outlets appropriate for the City should cannabis businesses be allowed within City limits.

ANALYSIS:

The proposed Zoning Amendment has been analyzed with respect to consistency with the: 1) General Plan; and 2) Zoning Ordinance.

1. **General Plan**

The proposed amendments are consistent with the General Plan, specifically policies in the Land Use Element, including Policy CNF-2.1 (Orderly Development), which promotes orderly development of the City with concentric growth and infill, as well as Policy CNF-2.2 (A Balanced Community) which calls for planning for the needs of all socioeconomic segments of the community.

2. **Zoning Ordinance**

The purpose of the Zoning Code is to implement the General Plan and to protect the public health, safety, and welfare. The City may approve a Zoning Amendment only if the following findings are made:

a. The proposed amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860.

Consistent
The proposed zoning amendment to create a land use program for cannabis is consistent with the General Plan in that it follows current land use development standards for commercial and industrial uses.

b. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

Consistent
A land use program for cannabis that includes a Conditional Use Permit for each use allows the approval bodies to evaluate each use to ensure cannabis uses will not be detrimental to the City. The proposed limitation on signage is a reasonable and necessary means to protect and promote the general welfare of the children and minors of the City of Morgan Hill exposed to various media advertising Cannabis or Cannabis Products.

c. The proposed amendment is internally consistent with other applicable provisions of the zoning code.

Consistent
The proposed revisions to Section 18.92.090 creates a land use program for future cannabis uses that is internally consistent with the overall zoning code. The land use program requires a Conditional Use Permit governed by Section 18.108.030 and overall development standards consistent with the zone district each business would be located within.

California Environmental Quality Act (CEQA):

This ordinance is categorically exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, the proposed text amendment to the Morgan Hill Zoning Code is not a project with potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis, and further is categorically exempt to the extent it would authorize only minor alterations to the use of existing facilities and public and private structures already zoned for such uses pursuant to existing zoning regulations. Additionally, pursuant to Business and Professions Code Section 26055(h), CEQA does not apply to the adoption of an ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity; this section is applicable because each application in the City will require the discretionary approval of a CUP.

Community Engagement
In accordance with 18.104.090.B.2, official notice of this hearing was provided by placing a quarter page display advertisement in the Morgan Hill Times. Notice was also provided on the website and via social media.

LINKS/ATTACHMENTS:
1. Draft Resolution Cannabis Land Use program
2. Cannabis ord-revised3

RESOLUTION NO. 19-XX

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF ZONING AMENDMENT ZA2019-0011: ZONING AMENDMENT AMENDING SECTION 18.92.090 OF CHAPTER 18.92 SUPPLEMENTAL STANDARDS OF TITLE 18 (ZONING) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING THE INCORPORATION OF CANNABIS LAND USE STANDARDS.

WHEREAS, on January 1, 2018, the Bureau of Cannabis Control began issuing commercial cannabis licenses; however, local jurisdictions retain the ability to prohibit and regulate all commercial cannabis activity; and

WHEREAS, on February 27, 2019, the City Council held a Cannabis Policy Workshop and heard from law enforcement officials, cannabis experts and community members regarding the possibilities for cannabis business in Morgan Hill. The Council ultimately directed staff to report back with potential ordinance options and answers to Council questions about retail, manufacturing and testing. The Planning Commission was asked to evaluate cannabis business related issues; and

WHEREAS, on July 23, 2019, the Planning Commission held a workshop to discuss land use standards for potential future cannabis businesses. The uses explored were retail, manufacturing, testing and distribution. Each Commissioner gave comments on their preferences for buffering per use, appropriate zoning for each use and whether a Conditional Use Permit should be required, and staff proceeded to develop a draft ordinance for consideration; and

WHEREAS, this ordinance is categorically exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, the proposed text amendment to the Morgan Hill Zoning Code is not a project with potential for causing a significant effect on the environment requiring California Environmental Quality Act (CEQA) analysis, and further is categorically exempt to the extent it would authorize only minor alterations to the use of existing facilities and public and private structures already zoned for such uses pursuant to existing zoning regulations; and

WHEREAS, because each application in the City will require the discretionary approval of a Conditional Use Permit, CEQA does not apply to the adoption of this ordinance pursuant to Business and Professions Code Section 26055(h); and

WHEREAS, the restrictions on signage are intended to limit children's exposure to advertising of cannabis and cannabis products, to reduce the illegal purchase and

Attachment: Draft Resolution Cannabis Land Use program [Revision 1] (2432 : Zoning Text Amendment - 18.92.090 Marijuana)

consumption of cannabis by children, and to reduce the likelihood of children suffering potential negative impacts as a result of consuming cannabis at an early age; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed zoning amendment is consistent with the General Plan and any applicable specific plan as provided by Government Code Section 65860. The proposed zoning amendment to create a land use program for cannabis is consistent with the General Plan in that it follows current land use development standards for commercial and industrial uses.

SECTION 2. The proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City as provided in Section 18.114.060 of the Morgan Hill Municipal Code. A land use program for cannabis that includes a Conditional Use Permit for each use allows the approval bodies to evaluate each use to ensure cannabis uses will not be detrimental to the City.

SECTION 3. The proposed amendment is internally consistent with other applicable provisions of the zoning code. Revised Section 18.92.090 creates a land use program for future cannabis uses that is internally consistent with the overall zoning code. The land use program requires a Conditional Use Permit governed by Section 18.108.030 and overall development standards consistent with the zone each business would be located within.

SECTION 4. Additional environmental review is not required pursuant to CEQA Guidelines Section 15061(b)(3) and Business and Professions Code Section 26055(h).

SECTION 5. The proposed limitation on signage is a reasonable and necessary means to protect and promote the general welfare of the children and minors of the City of Morgan Hill exposed to various media advertising Cannabis or Cannabis Products.

SECTION 6. The Planning Commission recommends that the City Council approve the proposed amendments to Section 18.92.090 of Chapter 18.92 Supplemental Standards of Title 18 (Zoning) of the Municipal Code regarding the incorporation of cannabis land use standards.

Attachment: Draft Resolution Cannabis Land Use program [Revision 1] (2432 : Zoning Text Amendment - 18.92.090 Marijuana)

PASSED AND ADOPTED THIS 27TH DAY OF AUGUST 2019, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST: **APPROVED:**

JENNA LUNA, Deputy City Clerk **JUAN MIGUEL MUNOZ MORRIS, Chair**

Attachment: Draft Resolution Cannabis Land Use program [Revision 1] (2432 : Zoning Text Amendment - 18.92.090 Marijuana)

ORDINANCE NO. , NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTION 18.92.090 (MARIJUANA) IN ITS ENTIRETY AND REPLACING IT WITH SECTION 18.92.090 (CANNABIS) WITHIN CHAPTER 18.92 (SUPPLEMENTAL STANDARDS) OF TITLE 18 (ZONING) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGULATING THE LOCATION OF CANNABIS MANUFACTURING, TESTING, DISTRIBUTION, AND RETAIL SALES OF ADULT-USE AND MEDICAL CANNABIS WITHIN THE CITY

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS FOLLOWS:

Section 1. Section 18.92.090 (Marijuana) of Chapter 18.92 (Supplemental Standards) of Title 18 (Zoning) is hereby amended to read as follows (additions in underline, deletions in strikeout):

18.92.090 - ~~Marijuana.~~ Cannabis.

~~Marijuana cultivation, marijuana delivery, and marijuana distribution facilities, as defined in Chapter 9.16 (Marijuana), are prohibited uses in all zoning districts in the city of Morgan Hill.~~

A. Purpose. The purpose of this section is to regulate the manufacturing, testing, distribution and retail sale of adult-use and medical cannabis that is grown in accordance with State law in order to promote the health, safety and general welfare of the residents and businesses within the City. The City is authorized to regulate this activity pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

B. Definitions. For the purposes of this section, certain terms are defined as follows:

1. "Cannabis" means all parts of the plant 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

Attachment: Cannabis ord-revised3 [Revision 1] (2432 : Zoning Text Amendment - 18.92.090 Marijuana)

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 division, “cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the Health and Safety Code.

2. “Cannabis Business” means a person, partnership, corporation, company, association, collective, or cooperative which engages in commercial cannabis use(s) of manufacturing, testing, distribution or retail.

3. “Cannabis Retail (Non-Storefront)” means a cannabis business that sells cannabis products for either medical or recreational use exclusively through delivery from a licensed physical location that is not open to the public and is operated in accordance with state and local laws and regulations.

4. “Cannabis Retail (Storefront)” means a cannabis business that sells, on premises or by delivery, cannabis products for either medical or recreational use from a licensed physical location and is operated in accordance with state and local laws and regulations.

5. “Commercial Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, trimming, or otherwise processing of marijuana plants or any part thereof, excluding only personal cultivation as allowed pursuant to the Compassionate use Act of 1996 and MAUCRSA.

6. “CUP” means a Conditional Use Permit issued by the City in accordance with this Code.

7. “Dispensary” and “Dispense” shall be defined in accordance with the MAUCRSA and other applicable State laws. Dispensing shall include the acts of advertising, offering for sale, selling, providing, giving away, and delivering any adult-use and/or medical cannabis products to any individual, customer, qualified patient, primary care provider, or end user.

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8. "Distribution" shall be defined in accordance with the MAUCRSA, Business and Professions Code section 26001, and other applicable State laws. Distribution shall include the commercial acts of shipping, storing, and warehousing medical cannabis.

9. "Fully enclosed and secure structure" means a space within a building, which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is secure against unauthorized entry, provides complete visual screening, and which is accessible only through one or more lockable doors and is inaccessible to minors.

10. "Manufacturing" or "manufacturing operation" means all aspects of the extraction process, infusion process, and packaging and labeling processes, including processing, preparing, holding, and storing of cannabis products. Manufacturing also includes any processing, preparing, holding, or storing of components and ingredients.

11. "MAUCRSA" means the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). (Bus. & Prof. Code, section 26000 et seq.)

12. "Microbusiness" means a business that contains cannabis cultivation (on an area less than 10,000 square feet), manufacturing, distribution, and retail sale, or any combination of the four activities.

13. "Physical Location" means a physical place of business, facility, office, or warehouse owned or operated by a Distribution Permittee for the distribution or storage of cannabis.

14. "Testing Facility" and "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:

    (a) Accredited by an accrediting body that is independent from all other person involved in commercial cannabis activity in the state.

    (b) Licensed by the bureau.

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C. Commercial Cannabis Cultivation Prohibited. All commercial cannabis cultivation within the City is prohibited.

D. Cannabis Microbusiness Prohibited. All cannabis microbusinesses within the City are prohibited.

E. Cannabis Business. A cannabis business may be established under this section only under the following conditions:

1. A conditional use permit (CUP) is required for all cannabis land uses, including cannabis businesses and cannabis retail. The application shall be considered by the Planning Commission.

2. Cannabis businesses must be located in the zoning districts as identified below:

   (a) Storefront and Non-Storefront Retail uses must be located in the following districts: CN (Neighborhood Commercial), CG (General Commercial), CH (Highway Commercial), CS (Service Commercial) and must meet all of the requirements for development in these zones.

   (b) Manufacturing, Distribution, and Testing Facilities or Laboratories must be located in the following districts: CI (Commercial Industrial), IO (Office Industrial), IC (Campus Industrial), IL (Light Industrial), and IG (General Industrial) and must meet all of the requirements for development in these zones.

3. A retail cannabis business shall be located no closer than 600 feet from the following:

   (a) A school providing instruction in kindergarten or any grades 1 through 12, (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12);

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(b) A commercial daycare center licensed by the State, County or City or that is in existence at the time the license is issued, unless the State licensing authority or the City specifies a different radius.

(c) A youth center that is in existence at the time the license is issued, unless the State licensing authority or the City specifies a different radius.

F. Findings. In addition to the standard findings for approval of a conditional use permit (Section 18.108.030.E), the Planning Commission shall make the following additional findings in support of approval of a use permit for a cannabis business.

1. That the location and site characteristics of the proposed cannabis business are consistent with all applicable state laws, Chapter 5.48 of the Morgan Hill Municipal Code and all other city standards or guidelines.

2. That all provisions have been made to ensure that the operation of the cannabis business will not create excessive demands for police service or other public services, and that the cannabis business will benefit the city.

G. Cannabis Business Standards. All cannabis businesses within the City shall be in conformance with the following general standards:

1. Cannabis businesses are allowed only within fully enclosed and secure structures that are inaccessible to minors.

2. Cannabis businesses shall not exceed the square footage authorized pursuant to the CUP.

3. From any public right-of-way, there shall be no visible exterior evidence of any cannabis business unless specifically approved by the Planning Commission.

4. Cannabis businesses shall not adversely affect the health or safety of the nearby residents by creating objectionable odor, dust, glare, heat, noise, smoke, traffic, vibration, or other impacts, and shall not be hazardous due to use or storage of materials, processes, products, or wastes.

5. Commercial cannabis businesses may operate only during the hours specified in the commercial cannabis business permit issued by the City in accordance with

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Chapter 5.48. Restricted hours of operation may be established as a condition of approval of the applicable CUP.

6. All cannabis shall be kept in a secured manner during all business and nonbusiness hours.

7. A Cannabis business shall operate within a legal structure that is compliant with all applicable State and local laws.

8. Signage for a cannabis manufacturing facility shall be limited to name of business only, shall be in compliance with the City's sign code and Chapter 5.48 of the Municipal Code, and shall contain no advertising of any companies, brands, products, goods, or services.

9. Alcoholic beverages shall not be sold, stored, distributed, or consumed on the premises. A Cannabis business facility shall not hold or maintain a license from the State Department of Alcohol Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages.

10. Physician services shall not be provided on the premises.

11. The building in which any Cannabis business facility is located, as well as the operations as conducted therein, shall fully comply with all applicable rules, regulations, and laws including, but not limited to, zoning and building codes, the City's business license ordinances, the Revenue and Taxation Code, the Americans with Disabilities Act, and the MAUCRSA.

12. A Cannabis business facility shall be operated in accordance with the conditions of approval associated with the applicable CUP for the parcel of real property upon which the Cannabis business activities occur.

H. Cannabis Business Applications. All applicants wishing to obtain a Commercial Cannabis Business Permit from the City shall file an application for both a Commercial Cannabis Business Permit in accordance with Chapter 5.48 and a Conditional Use Permit in accordance with Chapter 18.108.030 with the City upon forms provided by the City and shall pay the appropriate application fees as established by the City.

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Section 2. Severability. Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.

Section 3. Effective Date; Posting. This Ordinance shall take effect on ____ _____, 2019. The City Clerk is hereby directed to publish this Ordinance or a summary thereof pursuant to Government Code Section 36933.

This ordinance was introduced at a meeting of the City Council held on the _____ day of _____, 20__, and adopted at a meeting held on the _____ day of _____, 20__, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: **APPROVED:**

_____ _____

IRMA TORREZ, City Clerk RICHARD CONSTANTINE, Mayor

CERTIFICATE OF THE CITY CLERK

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the ____ day of _____, 2019.

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WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

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