

CHAPTER 6 COMMERCIAL CANNABIS ACTIVITY FOR RETAIL STOREFRONT AND RETAIL DELIVERY

xxxx Title. This Ordinance shall be known and may be cited as “The Redondo Beach Commercial Cannabis Activity for Retail Storefront and Retail Delivery Ordinance” (the “Ordinance”).

xxxxx. Purpose and Intent. The purpose and intent of this Ordinance is to accommodate the needs of medically-ill persons in need of cannabis for medicinal purposes, as advised and recommended by their health care provider(s), and adults over the age of twenty-one (21), and to implement State of California (“State”) law, which includes, but is not limited to the provisions of the Medicinal & Adult-Use Cannabis Regulation & Safety Act (hereinafter, “MAUCRSA”), as may be amended and augmented under State law, while imposing regulations on the conduct of business and use of land to protect the City of Redondo Beach (the “City”) neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this Ordinance to regulate the commercial cannabis activity for retail storefront and retail delivery in a manner which is responsible, which protects the health, safety, and welfare of the residents of the City, and which enforces rules and regulations consistent with State law. In part to meet these objectives, a retail cannabis business permit shall be required to own or to operate a cannabis retailer within the City. Further, this Ordinance’s requirement for a cannabis retailer to possess a retail cannabis business permit is in addition to any other permits, licenses, and approvals which may be required to conduct business in the City, and is in addition to any permits, licenses, and approvals required under State or County of Los Angeles (“County”) law.

XXXXX. Legal Authority. Pursuant to Section 7 of Article XI of the State Constitution, and the provisions of the MAUCRSA, as may be amended and augmented under State law and any subsequent State legislation regarding the same, the City is authorized to adopt ordinances that establish standards, requirements, and regulations for local licenses and permits for commercial cannabis activity for retail storefront and retail delivery. Except as otherwise provided in this Ordinance, any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State, or any of its departments or divisions, shall be the minimum standards applicable to the retail sale of cannabis and cannabis products in the City.

xxxxx. Commercial Cannabis Activities Prohibited Unless Specifically Authorized by this Chapter. Except as specifically authorized by this Chapter, microbusinesses, commercial cultivation, manufacturing, processing, storing, laboratory testing, labeling, delivery, distribution, or transportation, of cannabis or cannabis products is expressly prohibited in the City.

xxxxxxx. Chapter 6 (Licensing and Business Regulations) of the City Municipal Code is hereby amended by adding Chapter 6 (Commercial Cannabis Activity for Retail Storefront and Retail Delivery) to read as follows:

§ 6-6.01. Definitions.

The technical terms and phrases used in this chapter are defined in Redondo Beach Municipal Code Section 102.1626. (§ 3, Ord. 3240 c.s., eff. October 6, 2022) and are restated as follows:

"A-license" means a State license issued under this section for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess physician's

recommendations.

"A-licensee" means any person holding a license under this section for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.

"Act" shall mean the California Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), as in Business and Professions Code Section 26000 et seq., as amended from time to time.

"Applicant" shall mean and refer to a person applying for a permit pursuant to this section.

"Business License" means the required City Business License to operate in the City of Redondo Beach.

"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 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 section, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. For the purpose of this section "cannabis" and "marijuana" shall have the same meaning.

"Cannabis accessories" means any equipment, products or materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, smoking, vaporizing, or containing cannabis, or for ingesting, inhaling, or otherwise introducing cannabis or cannabis products into the human body.

"Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

"Cannabis retailer" means a commercial cannabis business where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid commercial cannabis business permit from the City of Redondo Beach authorizing the operation of a retailer, and a valid State license as required by State law to operate as a retailer.

"Caregiver" or "primary caregiver" has the same meaning as the term is defined in Section 11362.7 of the State Health and Safety Code.

"City" means the City of Redondo Beach.

"City Council " or "Council" means the City Council of the City of Redondo Beach.

"City Manager" means the City Manager of the City of Redondo Beach.

"Commercial cannabis activity" includes only storefront retail sale of cannabis and retail delivery of cannabis products; and excludes the cultivation, manufacturing, distribution, processing, storing, laboratory testing, labeling, transportation, distribution, and all activities that are not explicitly expressed in this Section 6.xxx

"Commercial Cannabis Retail Permit" means the permit issued by the City under RBMC Chapter 6-2. Note: RBMC Titles to be updated when Finalized

"Conditional Use Permit" means the permit issued by the City under RBMC Section 10-5.2506.

"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

"Cultivation site" means a location where cannabis is planted, grown, harvested, dried, cured, graded or trimmed, or a location where any combination of those activities occurs.

"Customer" means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician's recommendation.

"Day Care Center" or "Childcare Facility" means a facility, other than a family day care home, serving infant, toddler, preschool, and school age children, licensed by the State Department of Social Services pursuant to Section 1596.951 of the State Health & Safety Code. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of "Day Care Center" under this Chapter 6xx shall override the definition of "Day Care Center" in MAUCRSA at Section 26001 of the State Business & Professions Code.

"Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this section that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products (or a microbusiness engaging in retail sales).

"Department" means the Department of Cannabis Control within the Department of Consumer Affairs, formerly named the Bureau of Cannabis Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Cannabis Regulation.

"Dispensary" or "storefront retailer" means a location where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products.

"Distribution" means the procurement, sale, and transport of cannabis and cannabis products between licensees.

"Edible cannabis product" means 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 Section 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code.

"Gross receipts" means, except as otherwise specifically provided herein, whether designated as a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, and property of any kind or nature) received or payable for sales of goods, wares, or merchandise without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor, or service costs, interest

paid or payable, losses, or any other expense whatsoever. However, the following shall be excluded from gross receipts:

- (a) Cash discounts where allowed and taken on sales;
- (b) tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
- (c) Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
- (d) Receipts derived from the occasional sale of used, obsolete, or surplus trade fixtures, machinery, or other equipment used by the taxpayer in the regular course of the taxpayer's business;
- (e) Cash value of sales, trades, or transactions between departments or units of the same business;
- (f) Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a given year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered; and
- (g) Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar.

"Hearing officer" means the Permit Administrator or designee, who shall preside over administrative hearings.

"Liquid Assets" means assets that can be readily converted into cash. "Liquid assets" include, but are not limited to, the following: funds in checking or savings accounts, certificates of deposit, money market accounts, mutual fund shares, publicly traded stocks, and United States savings bonds. "Liquid assets" does not mean household items, furniture and equipment, vehicles, cannabis or cannabis products, business inventory, or real property and improvements thereto.

Insert definition of M-license

"Manufacture" means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

"Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or re-labels its container, that holds a State license pursuant to this section.

"Medicinal cannabis" means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), California Health and Safety Code Section 11362.5, by a medicinal cannabis patient in California who possesses a physician's recommendation.

"Medicinal delivery" means the commercial transfer of medicinal cannabis to a customer that possesses a physician's recommendation. "Medicinal delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer, or independently licensed under this section that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products.

"Nursery" means a license that produces only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

"Operation" means any act for which any State or local licensure is required under the provisions of this section or any commercial transfer of cannabis or cannabis products.

"Owner" means any of the following:

(a) All persons identified as an "owner" on any permit, license, or other authorization issued by a state agency or local government which authorizes the persons to establish and operate the cannabis facility.

(b) Any person identified or required to be identified as an "owner" on an application filed with any state agency and any local government, wherein the application requests the privilege to operate the cannabis facility.

(c) An Owner is further defined as follows:

- (1) A person who has any ownership interest in the corporate entity, partnership, or other business entity applying for a permit or a permittee, regardless of percentage of ownership; unless the interest is solely a security, lien, or encumbrance.
- (2) The chief executive officer of a nonprofit or other entity.
- (3) A member of the board of directors of a nonprofit.
- (4) An individual who will be participating in the direction, control, or management of the person applying for a permit. A member of the board of directors of a nonprofit.
- (5) An individual who will be participating in the direction, control, or management of the person applying for a permit.

"Package" means any container or receptacle used for holding cannabis or cannabis products.

"Permit administrator" means the City Manager or his/her designee.

"Permittee" means a person who has obtained a Commercial Cannabis Permit from the City to operate a cannabis business.

"Person" includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.

"Physician's recommendation" means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.

"Premises" means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted.

"Private residence" means a house, an apartment unit, a mobile home, or other similar dwelling.

"Public Park" means an 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. "Public Park" shall not include any youth center.

"Purchaser" means the customer who is engaged in a transaction for purposes of obtaining cannabis or cannabis products.

"Qualified delivery service" is one that has been licensed pursuant to the requirements of California Business and Professions Code Section 26050, maintains at all times while operating in the City of Redondo Beach all necessary State licenses, and operates in compliance with State and local law.

"School" means as evidenced and licensed by the State Department of Education school directory, a public school instructing children in grades kindergarten through 12, as authorized by the State Department of Education, or a private school instructing children in grades kindergarten through 12 that has filed a verification of private school affidavit with the State Department of Education pursuant to Section 33190 of the State Education Code; excluding any private school in which education is primarily conducted in a private home. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of "school" under this Chapter 6-xx shall override the definition of "school" used in MAUCRSA or Section 11362.768 of the Health & Safety Code.

"Sell," "sale," and "to sell" includes any transaction whereby, for any consideration, title to cannabis 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, but does not include the return of cannabis or cannabis products by a licensee to the licensee from whom such cannabis or cannabis product was purchased.

"State license" means a State license issued under this section, and includes both an A-license and an M-license, as well as a testing laboratory license.

"State licensee" means any person holding a license under this section, regardless of whether the license held is an A-license or an M-license, and includes the holder of a testing laboratory license.

"State licensing authority" means the State agency responsible for the issuance, renewal, or reinstatement of the license, or the State agency authorized to take disciplinary action against the licensee.

"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 persons involved in commercial cannabis activity in the State.
- (b) Licensed by the Department.

"Testing service" means a laboratory, facility, or entity in the State, that offers or performs tests of cannabis or cannabis products, including the equipment provided by such laboratory, facility, or entity, and that is both of the following:

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

- (b) Registered with the State Department of Public Health.

“Youth Center” means any facility that is operated by a public agency or nonprofit entity with the sole purpose of providing educational and/or recreational services to minors. “Youth Center” shall not include any a) private martial arts, yoga, ballet, music, or similar studio of this nature, or (b) any private athletic training facility, pizza parlor, restaurant, video arcade, dentist office, or doctor’s office primarily serving children. Pursuant to the authority delegated by the State to the City under Section 26054(b) of the State Business & Professions Code, this definition of “Youth Center” under this Chapter 6-xx shall override the definition of “Youth Center” in MAUCRSA at Section 26001 of the State Business & Professions Code.

§ 6-6.02. Commercial cannabis permit required to engage in commercial cannabis activity for retail storefront and retail delivery

No person may operate a commercial cannabis business or engage in commercial cannabis activity within the City of Redondo Beach, including retail storefront sales and retail delivery, unless the person (1) has a valid commercial cannabis retailer permit from the City of Redondo Beach; (2) has any and all valid State or local permits and licenses; and 3) is currently in compliance with all applicable State and local laws and regulations pertaining to the commercial cannabis business and the commercial cannabis activity, including holding the necessary State licenses to engage in commercial cannabis activity. (§ 3, Ord. 3240 c.s., eff. October 6, 2022)

Section 6.xxxx Commercial cannabis retailer regulation

(a) Commercial Cannabis Retailer Permit required. A cannabis retailer must obtain and maintain at all times a valid Commercial Cannabis Permit as required pursuant to Redondo Beach Municipal Code Title 6, Chapter 6.

(b) Conditional Use Permit and Zoning.

(1) A Conditional Use Permit is required to establish a cannabis business or operate as a cannabis retailer subject to the standards contained in Municipal Code Section 10-2.2506. Cannabis retailers shall be required to comply with all zoning, land use, and development regulations applicable to the zoning district in which they are permitted to establish and operate such business as set forth in the Redondo Beach Municipal Code.

(2) The cannabis retailer is not required to obtain a Conditional Use Permit prior to applying for a Commercial Cannabis Permit.

(3) If a cannabis retailer is authorized by Conditional Use Permit to operate a cannabis business on a particular site and such operation is discontinued for a continuous period of 12 months, the Conditional Use Permit expires for discontinuance of use and thereafter is void.

(c) Number of retailers. No more than two (2) sites may be used for storefront commercial cannabis retailers at any time. Those sites may be concurrently licensed to provide commercial retail delivery.

Section 6.xxxx Location Zoning Requirements.

(a) Cannabis retailers shall be permitted only in commercial and industrial zones,

specifically limited to the C-1, C-2, C-2A, C-2B, C-2PD, C-3, C-3A, C-3B, C-3PD, C-4, C-4A, C-4B, C-4PD, C-5A, CR, I-1, I-1A, I-1B, I-2, I-2A, and IC-1 zones. Cannabis retailers are prohibited in Coastal Commercial zones. Cannabis retailers are prohibited in any public-institutional zones and zones where residential is permitted.

(b) No retailer shall be established or located within 1,000 feet, measured from the nearest property lines of each of the affected parcels, of any other cannabis retailer.

(c) No retailer shall be established or located within 1,500 feet of any public or private high school or middle school, measured from the nearest property lines of each of the affected parcels. However, once a Permittee has been granted a valid commercial cannabis retailer permit by the City of Redondo Beach and is also in full compliance with the requirements of 6-6.02, the fact that any public or private high school or middle school opens within 1,500 feet of that Permittee's existing commercial cannabis business will not require Permittee's business to relocate as a result.

(d) No retailer shall be established or located within 600 feet from California State Licensed public or private elementary schools, day care centers, and youth centers, measured from the nearest property lines of each of the affected parcels. However, once a Permittee has been granted a valid commercial cannabis retailer permit by the City of Redondo Beach and is also in full compliance with the requirements of 6-6.02, the fact that any California State Licensed public or private elementary schools, day care centers, or youth centers open within 1,500 feet of that Permittee's existing commercial cannabis business will not require Permittee's business to relocate as a result.

(e) The distances specified in this Section 6-xxx shall be the horizontal distance measured in a straight line from the parcel line of the sensitive use to the closest parcel line of the lot on which the cannabis retailer is to be located without regard to intervening structures.

(f) Each Council District shall only have one (1) cannabis retail site.

(g) No permitted cannabis retailer may operate from a location that has previously been enforced upon for illegal cannabis activities, for a minimum of five (5) years from the passing of this ordinance or from the date of the violation, whichever is later.

6xxxxx: Change in Location; Updated Application Information.

(a) A permittee may change the business location specified in a retail cannabis business permit upon submission of a change in location to the Permit Administrator pursuant to regulations adopted under Chapter 6xxx and only after a minimum of three (3) years of operation at the business location specified in the retail cannabis business permit. The permittee shall pay a non-refundable application fee established by resolution of the City Council to cover all costs incurred by the City in the review and processing of change in location applications. Upon submission of a change in location application by a permittee, the Permit Administrator shall, as a ministerial duty, complete processing of such change in location application. If a change in location application is incomplete or the proposed changed location contained therein does not comply with location and zoning requirements in Xxx 6xxxxx and this Xxxxxx, the Permit Administrator shall, as a ministerial duty, deny the change

in location application. If a change in location application is complete and the proposed changed location contained therein complies with location and zoning requirements in Xxxxxx 6xxxxx and this Xxxxxxxx, the Permit Administrator shall bring forth the application to the City Council to approve or deny the change in location application.

(b) In addition to the location and zoning requirements in Xxxxxx 6xxxx permittee may not change the business location specified in a retail cannabis business permit to any property located within 1,000 feet from any cannabis retailer permitted under this Chapter 6xxxxx; within 1,500 feet of any public or private high school or middle school; or within 600 feet from California State Licensed public or private elementary schools, day care centers, and youth centers. The distance specified in this shall be the horizontal distance measured in a straight line from the parcel line of the cannabis retailer permitted under this Chapter 6xxxxxxx to the closest parcel line of the lot on which the cannabis retailer is proposed to be located without regard to intervening structures.

§ 6-6.03. Application procedure.

a. The City may, in its sole discretion, approve and direct the issuance of a notice inviting applications, a request for applications, or similar solicitation inviting persons interested in operating commercial cannabis activities in the City.

b. Whether to issue a solicitation for applications, and whether to approve or deny any such application shall be subject to the sole and absolute discretion of the City Council. The manner of accepting applications, the manner of application review, shall be determined by the Permit Administrator or designee. The criteria utilized in evaluating or scoring any application shall be that specified in this chapter, elsewhere in the Redondo Beach Municipal Code, or in the solicitation for applications issued by the City Council. Subject to the discretion of the City Council, the solicitation may include provisions pertaining to: the information required to be submitted by applicants, including, but not limited to, the application information specified in the regulations for a license from the Department, the City's application review, vetting, and approval processes; the review and scoring criteria that will be utilized by the City in distinguishing among applicants; applicant background checks and verification requirements; conditions of approval; security features and requirements; operating guidelines, standards, limitations, and requirements; site improvement obligations; maintenance requirements; book, accounting, and record keeping requirements; and/or a Commercial Cannabis Retail Permit for Retail Cannabis.

c. A Commercial Cannabis Retail Permit for Retail Cannabis approved by the City Council is required before any person operates a retail site or retail delivery in the City. Said Commercial Cannabis Retail Permit shall set forth the terms and conditions under which the commercial cannabis activities may be undertaken, in addition to the terms and conditions otherwise set forth in this chapter. Subject to the

agreement of any State permittee and approval of the City Council, such additional terms and conditions of the Commercial Cannabis Retail Permit may include, but are not limited to, public outreach and education requirements, community service requirements, the payment of mutually agreeable fees and charges, development and operating plans (including site plan, floor plan, and elevations), security measures, operating standards and procedures, site location and design standards, and such other terms and conditions as may be agreed upon by a permittee and the City Council, as well as those that the City Council deems necessary to protect and promote the public health, safety, and welfare of the community.

- d. No person or entity shall operate a retail site until a Conditional Use Permit has been approved by the Planning Commission or City Council. The application process for the Conditional Use Permit shall be the same as is generally applicable to Conditional Use Permits in the City. provided that a Commercial Cannabis Retail Permit between the permittee and the City shall be a condition precedent to approving a Conditional Use Permit.

- e. Nothing in this chapter is intended or shall be construed as requiring the City Council to approve any commercial cannabis activities in the City. No application will be accepted except during the times specified by the City Council in a solicitation for applications. The City Council's solicitation for, review of, and approval of any application for a Commercial Cannabis Retail Permit is discretionary, and nothing in this chapter is intended or shall be interpreted as rendering commercial cannabis activities a "by-right" land use in the City. (§ 3, Ord. 3240 c.s., eff. October 6, 2022.

- f. The Permit Administrator, pursuant to Section 6.xx, shall, as a ministerial duty, make available the necessary forms, adopt any necessary application rules for the submission, intake, review, and approval of retail cannabis business permit applications for retailers up to the number of retail cannabis business permits authorized in Section 6-xx.

- g. The Permit Administrator shall, as a ministerial duty, cease acceptance of retail cannabis business permit applications sixty (60) days after making available the necessary forms and adopting any necessary application rules for the submission, intake, review, and approval of retail cannabis business permit applications for retailers.

- h. The Permit Administrator shall, as a ministerial duty, review timely submitted retailer applications for the following minimum requirements:
 - i. Payment of a non-refundable application fee established by resolution of the City Council;
 - ii. Sufficient evidence of the legal right to use the proposed property

for the proposed use, to include ownership, a lease, sublease, purchase agreement, assignment of purchase agreement, or lease or purchase option, in the name of the applicant, which may include nominal consideration and be contingent upon issuance of a retail cannabis business permit or other approvals. The City shall only consider one applicant per County Assessor's Identification Number. In the event that more than one applicant applies for a retail cannabis business permit application at a given property address or a given County Assessor's Identification Number, the Permit Administrator shall, as a ministerial duty, only accept the retail cannabis business permit application with the legal ability to control the site, including written approval by the fee owner of the land and building, landlord, and any lien holders of record on the property, that cannabis retail sales and retail delivery are permitted.

- iii. Demonstration that the proposed property complies with location and zoning requirements described in the Application Guidelines and the Zoning Verification letter required as part of the Application, evidenced with a report created and produced by a licensed surveyor;
 - iv. Proof of funds showing that the Applicant has access and control of over \$2,000,000.00 in liquid assets (which such liquid assets having been under possession for at least ninety (90) days prior to the date of the application submission under this Section), which may be shown via a binding legal agreement in the name of the Applicant such as a promissory note so long as said legal agreement is accompanied by a proof of funds in the name of a party to the agreement so long as that demonstrates access and control of over \$2,000,000.00 in liquid assets under possession for at least ninety (90) days prior to the date of the application submission under this Section. Applicants and Permittees shall not be required to show that the Applicant or Permittee has access and control of over \$2,000,000.00 in liquid assets except on initial application pursuant to this Section 6xxxxxx.7, a change in location application pursuant to Section 6xxx, or an ownership transfer application pursuant to Section 6-xxx.
 - v. A set of plans, including a site development plan, floor plan(s), building elevations (all four (4) sides), and a conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species;
 - vi. Colored interior and elevation renderings;
 - vii. A completed background check application and receipt for each owner and manager of the Applicant pursuant to Section 6-xxx; and
 - viii. The following application components: (a) Qualifications of the Applicant's owners and managers; (b) business and operations plan; (c) security plan; (d) safety plan; (e) neighborhood compatibility plan; and (f) labor and employment plan.
- i. An applicant or permittee shall notify the Permit Administrator within fifteen (15) calendar days, and prior to the application window closing, of any material

change in the information provided in the applicant or permittee's retail cannabis business permit application or any change in status of compliance with the provisions of this Chapter 6xxxx including any change in the cannabis retailer ownership or management.

- j. Within fifteen (15) calendar days, and prior to the application window closing, of any other change in the information provided in the updated application form or any change in status of compliance with the provisions of this chapter, including any change in the cannabis business ownership or management members, the applicant shall file an updated application form with the Permit Administrator for review along with an application amendment fee.
- k. The Permit Administrator shall, as a ministerial duty, reject any retail cannabis business permit application that fails to meet the minimum requirements contained in this Chapter 6xxxx, and applicants shall not have the right to supplement or amend their retail cannabis business permit applications once the Permit Administrator has closed the window to submit an application.

6.xxxx Application Scoring and Selection Process

(a) An application evaluation committee composed of at a minimum three individuals with demonstrated experience in city government and with no business interests in the City of Redondo Beach shall be appointed by the Permit Administrator to review and score any complete applications pursuant to the following objective review criteria, according to the following quantitative evaluation scale that holds a total criteria value of 1,000 points. Each application will be independently scored by the evaluation committee members.

(1) Qualifications of the Applicant's Owners and Managers – 200 points

The 200 points awardable under this Subsection 1 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

- a. Up to 100 points - demonstrates cannabis retailer operations and ownership in California, that has taxable gross sales of \$10,000,000/year per store.
- b. Up to 50 points - demonstrates business operations and ownership in California providing services with annual gross revenue of \$5,000,000/year.
- c. Up to 50 points - A description of the Applicant's owner(s) and manager(s) qualifications detailing any experience operating cannabis retailers in any jurisdiction where cannabis retailers are permitted or special business or professional qualifications or licenses of the applicant's owner(s) and manager(s) that would add to the quality of services that the cannabis retailer would provide, including in areas related to cannabis, such as legal, finance, business ownership/administration, waste management, real estate development, scientific, or healthcare or wellness fields.

(2) Plans, renderings, and overall location – 150 points

The City Council finds that the further a cannabis retailer is located away from youth centers, the better a cannabis retailer will carry out the purpose and intent of the Ordinance (in particular the use of land to protect the City's neighborhoods, residents, and businesses from negative impacts) and that the sensitive use buffer for youth centers contained in Section 6.xxx is a minimum rather than an ideal distance to carry out the purpose and intent of the Ordinance. Accordingly, 75 of the 150 points available under this Subsection 2 will be awarded, as a ministerial duty, if the Applicant's proposed cannabis retailer is located more than 1,500 feet from any youth centers, as identified and measured in accordance with the Location Zoning Requirements in Section 6-xxx and Section xx of the Ordinance, and confirmed by a report from a licensed surveyor included in the application.

The remaining 75 of the 150 points awardable under this Subsection 2 shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to 10 points – A premise diagram in accordance with Section 5006 of Division 42 of Title 16 of the State Code of Regulations.

b. Up to 10 points – A site development plan that provides information on existing conditions and proposed improvements to the site and how it meets or will meet the development standards outlined in Chapter xx of the City Municipal Code, including adequate parking. Information on existing conditions shall include:

1. Exterior photographs showing all sides of any existing structure(s);
2. Photographs of existing parking areas, landscaping, trash enclosure, and signage;
3. Information on existing use on the site, including the addresses, uses, and square footages.
4. Photographs of the existing site if the site is vacant; and
5. Photographs of adjacent properties for context.

c. Up to 15 points – A floor plan showing information on the existing layout and proposed layout of the building interior.

d. Up to 20 points – Building elevations that provide information on existing conditions and proposed improvements.

e. Up to 10 points – A conceptual landscape plan with the percentage of landscaping in the parking lot, setback areas, and tree size and species.

f. Up to 10 points – Colored interior renderings and exterior elevation renderings (for both existing and/or proposed improvements).

(3) Business and operations plan – 100 points

The 100 points awardable under this Subsection 3. shall be awarded, as a

ministerial duty, pursuant to the following objective criteria:

a. Up to 5 points – A written description of the total square footage of the facility with estimated square footage of proposed uses.

b. Up to 10 points – A schedule for beginning operations, including a narrative outlining any proposed construction improvements and a timeline for completion.

c. Up to 15 points – A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operating costs.

d. Up to 10 points – A description of the sources(s) of capital and use(s) of capital.

e. Up to 10 points – Pro forma financial statements for at least three (3) years of operation.

f. Up to 10 points – A description of the type of products to be sold and the estimated quantity and value of product(s) to be sold.

g. Up to 15 points – A description of marketing procedures and tactics.

h. Up to 5 points – A description of day-to-day operations that should acknowledge both state and local laws and should be consistent with industry best practices.

i. Up to 5 points – A description of hours of operation and opening procedures.

j. Up to 5 points – A description of cash handling procedures.

k. Up to 5 points – A description of inventory control procedures to include identification of point-of-sale systems, and track and trace software.

l. Up to 5 points – A description of transportation, loading and unloading, distribution, or delivery procedures.

(4) Security plan – 150 points

The 100 points awardable under this Subsection 4. shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to 30 points – The security plan shall be prepared by a professional security consultant.

b. Up to 20 points – A premises security diagram.

c. Up to 50 points – A description of access control, inventory control, cash handling, and other security procedures and security equipment demonstrating compliance with the security requirements under this Chapter 6xxx.

d. Up to 25 points – A description of the intrusion alarm and monitoring system including the name and contact information for the monitoring company.

e. Up to 25 points – A description of the services of on-site security guards to include the (1) number of security guards; (2) the hours security guards will be on-site; (3) locations where security will be positioned; and (4) security guard responsibilities.

(5) Safety plan – 100 points

The 100 points awardable under this Subsection 5. shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

a. Up to 20 points – The safety plan shall be prepared by a professional fire prevention and suppression consultant.

b. Up to 10 points – A premises safety diagram to include (1) a description/illustration of evacuation routes and (2) location of fire extinguishers and other fire suppression equipment.

c. Up to 50 points – A description of safety procedures, training for emergency situations, and safety equipment demonstrating compliance with the safety requirements under this Chapter 6xxx.

d. Up to 10 points – Identify all gases, pesticides, and chemicals to be used and their storage locations.

e. Up to 10 points – A description of the firm alarm and monitoring system including the name and contact information for the monitoring company.

(6) Neighborhood compatibility plan – 150 points

The 150 points awardable under this Subsection 6. shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

(a) Up to 75 points – A “Good Neighbor Policy” that (1) includes policies and measures in place to protect adjacent uses from any potential impacts (e.g., noise, light, odor, traffic, etc.) related to the proposed cannabis retailer, including addressing parking and traffic impacts and (2) describes how the cannabis retailer and its operating characteristics will be proactively managed so the business is not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding area and will not result in the creation of a nuisance.

(b) Up to 25 points – A description of odor mitigation practices to include: (1) identifying potential sources of odor; (2) a description of odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the permitted premises; and (3) all proposed staff odor training and system maintenance.

(c) Up to 25 points – A description of a waste management plan that includes waste disposal locations within the proposed premises and the

applicant's security measures and methods of rendering waste unusable and unrecognizable.

(d) Up to 25 points – A description of efforts at sustainability/environmental impact mitigation.

7. Community Benefit Plan – 50 Points

The 50 points awardable under this Subsection 7. shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

(a) Up to 25 points – A description of a social responsibility plan to include identification of a community liaison and plans to aide and participate in the work of local non-profits, community-based organizations, civic organizations, or social service organizations.

(b) Up to 25 points – A description of a plan to develop a public health outreach and educational program that outlines the risks of youth use of cannabis and that identifies resources available to youth related to drugs and drug addiction.

8. Labor and employment plan – 100 points

The 100 points awardable under this Subsection 8. shall be awarded, as a ministerial duty, pursuant to the following objective criteria:

(a) Up to 10 points – An organizational chart of showing owners, managers, and employees.

(b) Up to 10 points – A description of the owner's and manager's roles in day-to-day operations and decisions.

(c) Up to 10 points – A description of the number of employees, title/position, and their respective responsibilities

(d) Up to 20 points – A description of compensation to employees, opportunities for continuing education, and employee training.

(e) Up to 20 points – A description of whether the cannabis retailer is committed to offering employees a living wage.

(f) Up to 20 points – A description of benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.

(g) Up to 10 points – A description of a plan to recruit employees from socially and economically disadvantaged backgrounds.

- Upon timely receipt of a retail cannabis business permit application, the Permit Administrator shall conduct background checks in accordance with Section 6.xxx.
- The Permit Administrator, as a ministerial duty, shall have all applications rated

using the included standardized criteria in Section 6.xxxx to be used on each application. The top five (5) rated applicants will be invited to give a ten (10) -minute presentation before the City Council for consideration of award of Commercial Cannabis Retail Permit. The City Council will select up to two (2) of the top five (5) rated applicants for the award of a Commercial Cannabis Retail Permit.

- Applicants not selected to present to City Council can appeal the preliminary rating to the Permit Administrator per Section XXXXXXXX.
- The City Council selection of the issuance of up to two (2) permits will be binding. Any appeal to this portion of the selection process will go through judicial review and remedies.
- In so issuing commercial retail cannabis business permits to applicants up to the number of retail cannabis business permits authorized in Section 6xxx at its sole discretion, the City Council shall have the absolute discretion to (1) award retail cannabis business permits in accordance with the ranking order of applicants or in accordance with its own determination following the presentations made by the applicants to the City Council and (2) issue the retail cannabis business permits.
- However, the City Council shall not issue or will revoke a retail cannabis business permit to any applicant with an owner or manager that:
 - Provided false or misleading information on the applicant's retail cannabis business permit application;
 - Has been convicted of (or pled no contest to) "an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made" as that term is defined in 26057(b)(4) of the State Business & Professions Code; or
 - Has been sanctioned by a licensing authority or a city, county, or state for unlicensed commercial cannabis activities or has had a license suspended or revoked under MAUCRSA in the three (3) years immediately preceding the date the application was submitted.
 - In the event that the City Council is ordered to increase the number of retail cannabis business permits issued for retailers by a court of competent jurisdiction as a judicial remedy, the Permit Administrator shall, as a ministerial duty, reinstitute the application procedure under this Section 6-xxx, subject to the number of retail cannabis business permits for retailers authorized and available (not allocated to an active, lawfully operating retailer) for issuance. In the event that the number of active, operating retailers and issued retail cannabis business permits falls below the number of retail cannabis business permits for retailers authorized in Section 6.xxx, the City Council may, at its sole discretion, require the Permit Administrator, as a ministerial duty, to reinstitute the application procedure under this Section 6-xxx, subject to the number of retail cannabis business permits for retailers authorized and available (not allocated to an active, lawfully operating retailer) for issuance. For the purpose of this Section, a retailer shall be considered operating if (1) upon initial issuance of retail cannabis business permit (or approval of a change in location pursuant to Section 6.xxx), the retailer commences lawful operations within twelve (12) months (subject to the Permit Administrator providing extensions in his or her reasonable discretion if the permittee

can demonstrate that the delay was due to situations beyond its control and/or that significant progress towards establishing the use has been made) or (2) following initial commencement of lawful operations, the retailer does not cease or abandon operations for one-hundred twenty (120) consecutive or cumulative days in any one (1) year period. A retailer's failure to commence lawful operations within twelve (12) months or following initial commencement of lawful operations, the retailer abandons operations for one-hundred twenty (120) consecutive or cumulative days in any one (1) year period shall be considered a material violation of this Chapter 6.xxx and terminated.

6.xxx: Retail Cannabis Business Permit Term.

a. Subject to this Section 6.xxx and Section 6.xxx, the term of each retail cannabis business permit shall be five (5) years, unless the permit is revoked by the City for any reason authorized by this Chapter 6.xx. Each permit may be extended for two (2) additional two-year terms twice administratively by the Permit Administrator. Permits that are extended twice administratively may request an extension of up to five (5) years by application to the City Council. The process for requesting such extensions shall be approved by the City Council by resolution prior to the expiration of the initial five (5) year term.

b. Upon the one (1) year anniversary of the date of issuance for each retail cannabis business permits and each year thereafter, the Permit Administrator shall conduct a performance review of the permittee to assess compliance with the requirements of this Chapter 6.xx. Within thirty (30) days of the conclusion of the annual performance review of the permittee, the Permit Administrator shall issue a letter of compliance or noncompliance outlining all items to be corrected to ensure full compliance. In the event of any noncompliance, the permittee shall have sixty (60) days to remedy such noncompliance. However, in the event such noncompliance items cannot be remedied within sixty (60) days, such noncompliance items shall not constitute a material violation of any law and/or any rule, regulation, and/or standard adopted pursuant to this Chapter 6.xxx subject to suspension or revocation under Section 6.xx if the permittee commences correction of such noncompliance items within sixty (60) days and thereafter diligently prosecutes correction of such noncompliance items to completion. The Permit Administrator shall have the final discretion and authority to determine whether a permittee is working diligently to correct all noncompliance items in a timely manner.

c. The permittee shall pay a non-refundable fee in an amount to be set by the City Council via resolution to cover the costs of conducting the performance review, together with any costs incurred by the City to administer the program created under this Chapter 6.xx.

§ 6-6.17. Suspension, revocation or modification of permits.

- (a) Commercial cannabis permits may be suspended, revoked or modified for any violation of any State or local law and/or any rule, regulation, and/or standard adopted pursuant to this chapter or in this Code, whether committed by the permittee or any employee or agent of the permittee.
- (b) A decision of the City to suspend, revoke or modify a commercial cannabis permit is appealable to the Hearing Officer and any appeal must be filed with the Permit

Administrator per Section XXXXXX.

- (1) The City Clerk shall not accept an appeal, and no hearing shall be held, unless the appellant has paid a filing fee, in an amount set by resolution of the City Council, to defray the cost of such appeal. Any appeal without the timely payment of fees shall be considered to be untimely and void.
 - (2) The scope of the appeal hearing pursuant to this section shall be limited to those issues raised by the appellant in the written appeal, as submitted pursuant to XXXXX.
 - (3) Upon receipt of a timely filed appeal, the City Clerk shall set the matter for hearing before the Permit Administrator. The hearing shall be held not fewer than 15 calendar days and not more than 30 calendar days from the date of the appeal request. The hearing may be continued from time to time upon the mutual consent of the parties.
 - (4) The appellant shall be provided with notice of the time and place of the appeal hearing, as well as a copy of all relevant materials at least 15 calendar days prior to the hearing.
 - (5) An appeal shall stay all proceedings in furtherance of the appealed action. Following appeal, the decision of the hearing officer may be appealed to the City Council. A decision of the City Council shall be the final decision of the City.
- (c) Any premises, or portion of a premises, for which the cannabis public health permit has been suspended or revoked shall close, cease doing business, and remain closed until the cannabis Health Permit has been reinstated or reissued by the County Health Officer.
- (d) Additionally, when there is an imminent threat to public health, safety or welfare, the Permit Administrator or designee, may take immediate action to temporarily suspend a commercial cannabis permit issued by the City, pending a hearing before the Permit Administrator or designee within 10 working days of suspension. The decision of the Permit Administrator may be appealed to the City Council, whose decision shall be final.
- (§ 3, Ord. 3240 c.s., eff. October 6, 2022)
- e. If the State of California or its respective department or division reinstates or reissues the state license, the cannabis business may seek reinstatement of its cannabis business permit if the business can demonstrate that the grounds for revocation of the license by the state no longer exist or that the underlying deficiency has otherwise been cured.
 - f. Abandonment of permit. If the cannabis business has not been in regular and continuous operation in the preceding four months at the permitted location, the cannabis business permit shall be considered abandoned, unless mitigating circumstance occur which was beyond the control of the permittee and an extension has been authorized by the Permit Administrator.
 - g. Suspension or revocation of a State license issued by the State or by any of its departments or divisions, corresponding to the retail cannabis business permit shall immediately result in the suspension of the associated retail cannabis business permit until the State, or its applicable department or division, reinstates the State license or otherwise lifts such suspension.
 - h. A permittee shall inform the Permit Administrator or designee(s) of any suspension, revocation, or termination of a State license corresponding to its retail cannabis business permit within five (5) business days of the suspension, revocation, or termination of the State license.

6.XXX Reapplying for a cannabis business permit.

If an applicant is denied a permit due to a disqualifying factor including, but not limited to, failing a background check or not complying with any state, or local jurisdictions regulatory requirements in which legal or administrative action has been taken, a new application may not be filed by the applicant for one year from the date of the denial. This xxxxx shall not apply to an approved applicant that is not awarded a permit resulting from the City not selecting them in an application process with a finite number of available permits.

6XXXX Building permits and inspection.

Prior to commencing operations, a cannabis business permittee shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes but is not limited to obtaining any required building permit(s), Fire Department approvals, Police Department approval, Code Enforcement, Planning, and County Health Department approvals, and any other applicable zoning and land use permit(s) and approvals.

§ 6-6.04. Fees and charges.

- (a) Each applicant or permittee shall timely and fully pay all fees set forth in this chapter. Failure of an applicant to pay the requisite fees is grounds for denial, and the failure of a permittee to pay the requisite fees shall constitute a breach and default of the Commercial Cannabis Retail Permit , and is grounds for revocation of the Conditional Use Permit. Except as otherwise provided herein, the amount of each fee shall be established by resolution of the City Council.
 - (1) Application fee to cover the City's costs incurred in the initial acceptance and review of an application for a Commercial Cannabis Retail Permit, due and payable in full at the time an application is submitted.
- (a) Processing fee(s) to cover the costs incurred in the review, investigation, scoring, and/or selection of an applicant for the award of a Commercial Cannabis Retail Permit shall be due and payable in full at the time an application is submitted. The City may charge a separate processing fee for each round of the application review and selection process. Such Agreement shall be granted in accordance with evaluation criteria specified by the City Council in a notice inviting applications, a request for proposal ("RFP"), or similar solicitation.
- (b) In addition to the fees specified in subsection (a), applicants and permittees shall timely pay all other applicable fees, including, but not limited to, fees associated with processing applications for Conditional Use Permits, Commercial Cannabis Retail Permit , building permits, and plan checks.
- (c) In addition to the fees set forth in this chapter, a Commercial Cannabis Retail Permit requires for a permittee to pay the City a fair share contribution towards the City's costs incurred. Such costs may include, without limitation, enforcing the provisions of this chapter, inspecting for and remediating any direct or secondary negative impacts of the commercial cannabis activities, and mitigating impacts to the City's existing public facilities caused by the commercial cannabis facility. If applicable, the remediation payments

described in this chapter shall be memorialized in an agreement, and paid by a permittee to the City in strict accordance with the terms thereof. (§ 3, Ord. 3240 c.s., eff. October 6, 2022)

- (d) No person may commence or continue any cannabis retail sales in the City without timely paying in full all fees and charges required for the operation of a cannabis retail sales. Fees and charges associated with the operation of such activity shall be established by resolution of the City Council which may be amended from time to time.
- (e) All cannabis retailers authorized to operate under this Chapter 6xxxxxxx shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, State, and local law. Each cannabis retailer shall cooperate with City with respect to any reasonable request to audit the cannabis retailer' books and records for the purpose of verifying compliance with this Section 6.xx, including, but not limited to, a verification of the amount of taxes required to be paid during any period.
- (f) A tax of 3% of gross receipts is required of each Permit. Such tax may be increased up to 9% by City Council action at any time.

6XXXXX City business license certificate.

- A. Prior to commencing operations, a cannabis business shall obtain a City of Redondo Beach business license certificate.

§ 6-6.05. Operating standards.

- (a) Permittees, and the premises upon which commercial cannabis activities are operated, shall strictly comply with this chapter, the Development Agreement, the Conditional Use Permit, the Act, and anything else required by the Department or the State licensing authority. To the extent of a conflict among any of the foregoing, the more restrictive provision shall control unless a different intent is clear from context.
- (b) All premises where commercial cannabis activities are operated shall comply with the following minimum development and operating standards:
 - (1) Commercial cannabis activities shall occur in a fully enclosed and permanent building, as described in this chapter.
 - (2) Persons under the age of 21 shall be prohibited from the premises at all times, other than as lawful customers permitted under State law in the case of medicinal cannabis retailers. If such retail establishment sells medicinal cannabis, persons under the age of 21 and over the age of 18 shall be permitted to enter the establishment only after verification that they possess a valid medical marijuana ID card.
 - (3) A premises shall notify patrons of the following through the posting of a sign outside the premises posted in a conspicuous location near the entrance of the building:
 - a. That patrons must immediately leave the site upon concluding the reason for their visit, and may not consume cannabis or cannabis

products on the premises.

- b. That patrons may be subject to prosecution under Federal law.
 - c. That the use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate machinery.
- (4) Permittees shall provide the name and phone number of an on-site staff person who shall be responsible for notification of any operational problems or emergencies associated with the premises or the operation thereof to the Police Department and Permit Administrator
 - (5) All commercial cannabis businesses shall be operated within the specific part of the premises specified in the Development Agreement and/or Conditional Use Permit. No commercial cannabis activities shall take place in an area exceeding the square footage authorized in the controlling Agreement, Conditional Use Permit, or the licensee's license; whichever is most restrictive.
 - (6) All exterior windows, doors, loading and unloading docks or bays, and any points of ingress or egress to the premises where the commercial cannabis business will be operated, shall be secured from unauthorized entry by commercial grade, nonresidential locks, and in a manner specifically approved by the Police Department. The exterior of each of the foregoing areas shall be illuminated during twilight hours.
 - (7) The ingress and egress points of any storage areas for cannabis or cannabis products shall be locked and secured at all times, and shall be under the control of and accessible only to the permittee's authorized personnel as disclosed to the City.
 - (8) Each permittee shall implement a track-and-trace system, compliant with the Act, to record the chain of supply of cannabis or cannabis products from "seed- to-sale." Each cannabis retailer shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the cannabis retailer including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale), and other information which may be deemed necessary by the City. The cannabis retailer shall ensure that such information is compatible with the City's record-keeping systems as well as the State Mandated Track and Trace requirements and systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the Permit Administrator prior to being used by a permittee.
 - (9) The exterior appearance of the premises, including, but not limited to, the design, color, landscaping, screening, architectural treatments, signage, and other such aesthetic features of the premises shall comply with the standards applicable to the underlying zoning district, as may be modified or supplemented through the Agreement and/or Conditional Use Permit. Except as modified herein, or in a Agreement or Conditional Use Permit, the premises shall comply with the development standards applicable to the underlying zoning district.
- (10) Signage

- All exterior signage on the premises shall comply with city standards and Conditional Use Permit.
 - In addition to the requirements otherwise set forth in this Section 6.xx, business identification signage for a cannabis retailer shall conform to the requirements of the City Municipal Code, including, but not limited to, seeking the issuance of a City sign permit.
 - No signs placed on the premises of a cannabis retailer shall obstruct any entrance or exit to the building or any window.
 - Each entrance to a cannabis retailer shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises, or in the areas adjacent to the premises, is prohibited.
 - The entrance to the cannabis retailer shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the cannabis retailer, other than as lawful customers permitted under State law.
 - No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a retail cannabis business permit or on any of the vehicles owned or used as part of the cannabis retailer. No outdoor storage of cannabis or cannabis products is permitted at any time.
- (11) The exterior of the premises shall comply with the City's generally applicable lighting standards including, without limitation, fixture type, wattage, illumination levels, shielding; and associated approvals and permits. The exterior appearance of the premises, including, but not limited to, the design, color, landscaping, screening, architectural treatments, signage, and other such aesthetic features of the premises shall comply with the standards applicable to the underlying zoning district, as may be modified or supplemented through the Conditional Use Permit. Except as modified herein, or by the Conditional Use Permit, the premises shall comply with the development standards applicable to the underlying zoning district.
- (12) All waste generated by or resulting from commercial cannabis activities shall be disposed of as required by law, and pending disposal such waste shall be stored in a locked and secure area that is under the control of and accessible only to the permittee's authorized personnel.
- (13) On-site sales of alcohol or tobacco products, and consumption of food, alcohol, tobacco, cannabis, or cannabis products on the premises is strictly prohibited except that employees may eat in an area separate from the sales floor on their breaks.
- (14) The premises shall provide an odor absorbing ventilation and exhaust system so that odor generated inside the structure where commercial cannabis activities are taking place cannot be detected outside the structure, anywhere on adjacent property, public rights-of-way, or within any other unit or structure on the premises where commercial cannabis activities are not taking place. Odor control devices and techniques shall

be incorporated in all cannabis retailers to ensure that odors from cannabis are not detectable off-site. Cannabis retailers shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the cannabis retailer that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis retailer.

- (15) Be provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage facilities for the intended purpose.
- (16) Whether or not applicants have obtained a property for the purposes of their commercial cannabis business prior to their selection, shall have no bearing on their selection.
- (17) The Permit Administrator shall have the power and authority to promulgate rules, regulations, and requirements consistent with the provisions of this chapter and other law in connection with the issuance of a registration certificate. The Permit Administrator may designate an employee of his or her department to make decisions and investigate and act pursuant to this chapter.

(§ 3, Ord. 3240 c.s., eff. October 6, 2022)

- Permittees, and the premises upon which commercial cannabis activities are operated, shall strictly comply with this chapter, the Conditional Use Permit, the Act, and anything else required by the Department or the State licensing authority. To the extent of a conflict among any of the foregoing, the more restrictive provision shall control unless a different intent is clear from context.
- Cannabis retailers may operate only during the hours specified in the retail cannabis business permit issued by the City and must comply with State law at all times.
- There shall not be a physician located in any cannabis retailer at any time for the purpose of evaluating patients for the issuance of a medicinal cannabis recommendations.
- A premises shall notify patrons of the following through the posting of a sign outside the premises posted in a conspicuous location near the entrance of the building:
 - a) That patrons must immediately leave the site upon concluding the reason for their visit, and may not consume cannabis or cannabis products on the premises.
 - b) That patrons may be subject to prosecution under Federal law.
 - c) That the use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate machinery.
- Permittees shall provide the name and phone number of an on-site staff person who shall be responsible for notification of any operational problems or emergencies associated with the premises or the operation

thereof to the Police Department and Permit Administrator.

- All commercial cannabis businesses shall be operated within the specific part of the premises specified in the Conditional Use Permit. No commercial cannabis activities shall take place in an area exceeding the square footage authorized in the Conditional Use Permit, or the licensee's Commercial Cannabis Retail Permit; whichever is most restrictive.
- All exterior windows, doors, loading and unloading docks or bays, and any points of ingress or egress to the premises where the commercial cannabis business will be operated, shall be secured from unauthorized entry by commercial grade, nonresidential locks, and in a manner specifically approved by the Police Department. The exterior of each of the foregoing areas shall be illuminated during twilight hours.

A cannabis retailer shall notify the Permit Administrator within twenty-four (24) hours after discovering any of the following:

1. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the Permit Administrator.
2. Diversion, theft, loss, or any criminal activity involving the cannabis retailer or any agent or employee of the cannabis retailer.
3. The loss or unauthorized alteration of records related to cannabis and cannabis products or registering customers or employees and/or agents of the cannabis retailer.
4. Any other breach of security.

All cannabis and cannabis products sold and/or distributed shall be cultivated, manufactured, and distributed by licensed facilities that maintain operations in full conformance with the State and local regulations. The packaging and labeling of cannabis and cannabis products shall comply at all times with State law.

Other than as lawful customers permitted under State law in the case of retailers, individuals under the age of twenty-one (21) years shall not be allowed on the premises of a cannabis retailer and shall not be allowed to serve as a driver for a cannabis retailer. It shall be unlawful and a violation of this Chapter 6.xx for any person to employ any person at a cannabis retailer who is not at least twenty-one (21) years of age.

The original copy of the retail cannabis business permit issued by the City pursuant to this Chapter 6.xxx and the City issued business license shall be posted inside the cannabis retailer in a location readily visible to the public.

Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the City Attorney.

6xxxx: Community Relations.

a. Each cannabis retailer shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the cannabis retailer can be provided. Each cannabis retailer shall also provide the above information to all businesses and residences, in the City, located within one hundred and fifty (150) feet of the cannabis retailer. Such community relations contact shall respond to any complaints within forty-eight (48) hours of receipt of such complaints.

b. During the first year of operation pursuant to this Chapter 6xxxxxxx, the owner(s), manager(s), and community relations representative from each cannabis retailer holding a retail cannabis business permit issued pursuant to this Chapter 6xxxxxxx shall attend a quarterly meeting with the Permit Administrator and other interested parties as deemed appropriate by the Permit Administrator, to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter 6xxxxxxx. After the first year of operation, the owner(s), manager(s), and community relations representative from each such cannabis retailer shall meet with the Permit Administrator when and as requested by the Permit Administrator.

c. Cannabis retailers to which a retail cannabis business permit is issued pursuant to this Chapter 6xxxxxxx shall develop and make available to youth organizations and educational institutions a public education plan that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

6XXX Permissible delivery locations and customers.

- A. Cannabis delivery businesses permitted to engage in delivery of cannabis and cannabis products inside the City of Redondo Beach are subject to the following requirements:
- B. A permitted cannabis business shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.
- C. A permitted cannabis business shall comply with all requirements of state and local law pertaining to the cannabis business permit and all subsequent policies, procedures and regulations which may be amended by the Permit Administrator from time to time in order to enforce this chapter.
- D. Any kiosk, i-Pad, tablet, smartphone, fixed location or technology platform, whether manned or unmanned, other than a retail location permitted by the city, that facilitates, directs, or assists the retail sale or delivery of cannabis or cannabis products is prohibited and shall be a violation of this Chapter.

6XXXX Operating requirements for Out-of-City delivery services.

- A. All cannabis businesses which conduct deliveries into or within the City of Redondo Beach shall be required to obtain a permit from the City of Redondo Beach in order to conduct retail sales regardless of whether they are located in the City or another local jurisdiction.
- B. Prior to commencing operations, a cannabis out-of-City delivery service shall comply with the following requirements:
 - 1. Obtain from the City a permit authorizing the delivery of cannabis and cannabis products within the City limits. A copy of this permit shall be retained by all drivers.

2. The retail business operating the delivery service shall provide the Permit Administrator with evidence of a valid state and local license for a cannabis business on whose authorization the delivery service is performing the delivery function.

3. The retail business operating the delivery service shall furnish to the Permit Administrator the year, make, model, license plate number, and numerical Vehicle Identification Number (VIN) for any and all vehicles that will be used to deliver cannabis goods.

C. Operating hours of the out-of-City delivery service shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.

§ 6-6.06. No transfer or change in ownership

Permittees may not sell, transfer, pledge, assign, grant an option, or otherwise dispose of, in whole or in part, their rights under or interest in a Permit. It is strictly prohibited for any owner to sell, transfer, pledge, assign, grant an option, or otherwise dispose of, in whole or in part, their ownership interest in the licensed cannabis business for a minimum period of three (3) years from the start of operation. No permittee may allow for a separate entity to manage or operate their business or act as their agent in their place. The permittee may only transfer ownership after the initial period of time and with prior discretionary approval of the City Council. Before approving any such request, the City may require the purchaser, assignee, or transferee to provide the same information and materials that are required of an initial applicant, including the payment of associated fees.

A. The owner of a cannabis business permit shall not transfer ownership or control of the permit to another person or entity unless and until the transferee obtains an amendment to the permit from the Permit Administrator stating that the transferee is now the permittee.

1. Such an amendment may be obtained only if the transferee files an application with the Permit Administrator in accordance with the provisions of this chapter (as though the transferee were applying for an original cannabis business permit).

2. The proposed transferee's application shall be accompanied by a transfer fee in an amount set by resolution of the City Council (or if not set, shall be the same amount as the application fee).

3. The transferee's application will be treated as a new application and will be evaluated according to procedures adopted by the Permit Administrator, pursuant to Chapter 6XXXXX.

B. Cannabis business permits issued through the grant of a transfer by the Permit Administrator shall be valid for a period of one year beginning on the day the Permit Administrator approves the transfer of the permit.

C. Before the transferee's permit expires, the transferee shall apply for a renewal permit and pay the appropriate fee in the manner required by this chapter.

D. A Cannabis business permit shall not be transferred when the City has notified the permittee in writing that the permit has been or may be suspended or revoked.

E. Any attempt to transfer a cannabis business permit either directly or indirectly in violation of this Section XXXXXXXX is hereby declared a violation of the permit and this chapter. Such a purported transfer shall be deemed a ground for revocation

of the permit.

- F. Permittees shall not have a common owner. (§ 3, Ord. 3240 c.s., eff. October 6, 2022)

6XXX Location

- (a) Before exercising any rights, permittees shall demonstrate proof of lawful possession of the premises where commercial cannabis activities are proposed to take place. Such evidence shall consist of properly executed deeds of trust, leases, licenses, or similar documents evidencing the permittee's right to possession and use of the premises. Subject to the criteria specified by the City Council in its solicitation for applications, at shall be awarded contingent upon an applicant's subsequent identification of a premises that is acceptable to the City; or, subject to an applicant's provision of an option, letter of intent, or similar instrument executed by the current owner of the proposed premises in favor of a permittee or applicant, authorizing commercial cannabis activities to be operated therein.
- (b) Commercial cannabis activities may only take place within the area, building, structure, and portion of the premises that is specifically described in a Conditional Use Permit. A permittee shall not relocate, move, or otherwise alter the location of its operations from the specific area so identified without obtaining prior approval from the City; regardless of any possessory interest or right to possession to such additional areas. No permittee shall add additional or contiguous units or areas, thereby altering the initially approved premises, without prior approval of the City Council.
- (c) The permittee shall not sublet, transfer, or otherwise assign any portion of any approved premises for any purpose, unless the City Council grants prior approval of such amendment.
- (d) The permittee shall not make any physical change, alternation, or modification to the approved premises that, in the opinion or discretion of the building official, materially or substantively alters the location or usage of the premises from the plans approved in the Commercial Cannabis Retail Permit and/or Conditional Use Permit, without the advanced approval of the City Council. For purposes of this subsection, the phrase "materially or substantively alters" means any physical change, alternation, or modification to the area of the premises identified in the Commercial Cannabis Retail Permit or Conditional Use Permit for the operation of commercial cannabis activities that either: (1) increases the capacity or scope of commercial cannabis activities by 5% or more; or (2) requires a building permit.
- (e) If the proposed location will be leased from the property owner, the applicant shall be required to provide a signed and notarized statement from the owner and all lien holders of the property, acknowledging that the property owner and all lien holders have read this chapter and consents to the operation of the retail cannabis business on the owner's property.

§ 6-6.07. Minimum security requirements.

Permittees shall comply with the security standards and requirements set forth in this chapter, the Commercial Cannabis Retail Permit, the Conditional Use Permit, and the

Act. If any of the foregoing are inconsistent, the most restrictive provision shall control unless a different intent is clear from context.

(a) Security standards are as follows:

- (1) Owner shall establish a security system that prevents individuals from remaining on the premises of the commercial cannabis business if they are not engaging in an activity directly related to the permitted operations of the commercial cannabis business and establishing limited access areas accessible only to authorized commercial cannabis business personnel.
- (2) Panic buttons shall be installed in all commercial cannabis businesses.
- (3) Sensors shall be installed to detect entry and exit from all secure areas.
- (4) Each commercial cannabis business shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
- (5) All security personnel shall be vetted through and approved by the Police Department.

(b) All premises where commercial cannabis activities are operated and their personnel shall comply with the following minimum-security standards:

(1) Security cameras.

- a. Security cameras shall be installed and maintained on the premises in a good working condition, and shall be capable of producing digitally recorded documentation in a format approved by the Police Department.
- b. All security cameras on the premises shall be in use 24 hours per day, seven days per week. Permittees are responsible for ensuring that all surveillance equipment is properly functioning and maintained so that the playback quality is suitable for viewing and the surveillance equipment is capturing the identity of all individuals and activities in the monitored areas.
- c. All video surveillance equipment shall have sufficient battery backup to support a minimum of four hours of recording in the event of a power outage.
- d. The areas of the premises to be covered by the security cameras include, but are not limited to: (i) all storage areas for cannabis or cannabis products; (ii) all areas where commercial cannabis activities are operated; (iii) each location where weighing, packaging, transport, preparation, or tagging activities occur; (iv) the interior and exterior of all points of ingress or egress to storage areas; (v) all doors and windows; (vi) loading and unloading bays, the interior and exterior of all points of ingress or egress to the structure on the premises where commercial cannabis activities are operated; and (vii) all points of ingress or

egress to the premises.

- e. Surveillance recording equipment must be housed in a designated, locked, and secured room or other enclosure with access limited to authorized employees or local law enforcement agencies for appropriate purposes.
- f. All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points.
- g. At least one camera shall be dedicated to recording the access points to the secured surveillance recording area.
- h. Permittees shall keep a current list of all authorized employees and personnel who have access to the surveillance system and/or room on the premises.
- i. Permittees shall keep a surveillance equipment maintenance activity log to record all service activity, including the identity of the individual performing the service, the service date and time, and the reason for service. Such records shall be maintained on the premises and shall be made available to the City upon request.
- j. The system shall be capable of recording all pre-determined surveillance areas in any lighting conditions.
- k. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the requirements described in this chapter, video monitors, digital archiving devices, a color printer, and the capability to produce still color photograph from any camera image, live or recorded. The date and time shall be embedded on all surveillance recordings without significantly obscuring the picture. The time on the surveillance video is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory.
- l. Video surveillance systems must be equipped with a failure notification system that provides prompt notification of any prolonged surveillance interruption and/or the complete failure of the surveillance system to the permittee and Police Department.
- m. All surveillance recordings must be kept for a minimum of 90 days and be in a format that can be easily accessed for viewing. Video recordings must be archived in a format that ensures authentication of the recording as a legitimately captured video, and ensures no alteration of the recorded image has taken place.
- n. After the 90- d a y surveillance video retention period has lapsed, surveillance video recordings must be erased or destroyed prior to being discarded or disposed of for any other purposes. Surveillance video recordings may not be destroyed if the permittee(s) knows, or should have known of a pending criminal, civil, or administrative investigation, or any other proceedings for which the recording may contain relevant information.

- o. Upon request, permittees shall make available to the Police Department or local law enforcement agency, for law enforcement purposes, all information related to security alarm systems, recordings, monitoring, and/or system activity.
 - p. Permittees may utilize off-site monitoring and video recording storage, or an independent third-party service, to satisfy the requirements of this chapter, provided the standards exercised at the remote location meet or exceed all standards for on-site monitoring set forth herein.
 - q. The cannabis business shall be responsible for ensuring that the security surveillance camera footage is compatible with the City's software and hardware and remotely accessible by the Chief of Police. Alarm systems shall send real time alerts directly to the Police Department.
- (2) Alarm system.
- a. The premises shall be equipped with a reliable, commercial alarm system that is operated and monitored by a security company or alarm business 24 hours a day, seven days a week, operating in full compliance with this chapter.
 - b. Permittees shall maintain on the premises up to date and current records and existing contracts with third party alarm system or security services providers that: (1) describe the location and operation of each security alarm system; (2) a schematic of security zones; (3) the name of the alarm company, and, if different from the name of the alarm company; (4) the name of any vendor monitoring the premises.
 - c. At a minimum, the alarm system shall monitor all exterior points of access into the structure on the premises where commercial cannabis activities are operated, including but not limited to windows and doors.
- (3) Security guard. At all times a premises is open to the public, at least one security guard shall be present who is licensed, possesses a valid Department of Consumer Affairs' "security guard card."
- (4) Records. All records applicable to the surveillance system, alarm system, and track-and-trace system shall be maintained on the premises, and available for inspection upon request by the Police Department or other local law enforcement personnel for law enforcement purposes or to ensure compliance with this chapter, the Act, or the regulations (§ 3, Ord. 3240 c.s., eff. October 6, 2022)

§ 6-6.08. County Health Permit.

The City shall work with the County of Los Angeles to adopt the County's Cannabis Compliance and Enforcement Program and require the City's cannabis permittees to obtain the County's Health Permit prior to operation. (§ 3, Ord. 3240 c.s., eff. October 6, 2022)

- 1) Any premises, or portion of a premises, for which the cannabis public health permit has been suspended or revoked shall close, cease doing business, and remain closed until the cannabis Health Permit has been reinstated or reissued by the County Health Officer.

6xxx: Permittee, owner, and property owner responsible for violations.

a. Each permittee and each owner and each manager of the permittee (and each individual owner and each individual manager of an owner or manager of the permittee) shall be responsible for any and all violations of the laws of the State or of the regulations and/or the ordinances of the City occurring within the City or in or about the premises of the cannabis retailer, if committed by the permittee or any employee or agent of the permittee and whether or not said violations occur within the permittee, owner, or manager's presence.

b. No person may engage in any cannabis retail sales within the City unless the person is in compliance with the requirements of this Chapter 6xx.

c. It shall be unlawful to rent, lease, or otherwise permit any cannabis retail sales at any location, structure, or vehicle in the City by a person (1) that does not have a valid retail cannabis business permit issued by the City; (2) that does not have a valid State license; (3) that does not have any other applicable approvals, including, but not limited to, a building permit and City business license; or (4) that is not currently in compliance with all applicable State and local laws and regulations pertaining to the cannabis retail sales. Property owners shall have strict liability for any cannabis retail sales at any location, structure, or vehicle in the City by a person (1) that does not have a valid retail cannabis business permit issued by the City or (2) that does not have a valid State license.

6-xxxx: Violations Declared a Public Nuisance.

1. Each and every material violation of the provisions of this Chapter 6xxx is hereby deemed unlawful and a public nuisance subject to all remedies and enforcement measures authorized by the City Municipal Code.

6xxxx: Each Violation a Separate Offense.

- 1) Each and every violation of this Chapter 6-xxx shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City Municipal Code. Additionally, as a nuisance per se, any material violation of this Chapter 6-xxxx shall be subject to injunctive relief, any retail cannabis business permit issued pursuant to this Chapter 6xxx being deemed null and void, disgorgement, and payment to the City of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney's fees, and any other relief or remedy available at law or in equity. The City may also pursue any and all remedies and actions available and applicable under State and local laws for any violations committed by the cannabis retailer or persons related to, or associated with, the cannabis retail sales. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the Permit Administrator or designee(s), may take immediate action to temporarily suspend a retail cannabis business permit issued by the City, pending a public hearing before the City Council.

6xxxx: Remedies Cumulative and Not Exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided by law

§ 6-6.09. Criminal penalties.

- (a) Any violation of any provision of this chapter shall be deemed a misdemeanor and shall be enforced pursuant to Title 1, Chapter 2 of Redondo Beach Municipal Code.
- (b) Separate offenses for each day. Any person who violates any provision of this chapter shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.
- (c) Use or activity prohibited by State law. Nothing in this chapter shall be deemed to permit or authorize any use or activity which is otherwise prohibited by State law.

(§ 3, Ord. 3240 c.s., eff. October 6, 2022)

- (d) Each and every material violation of the provisions of this Chapter 6xxxx may be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed five thousand dollars (\$5,000.00) or imprisonment in the County jail for a period of not more than six (6) months, or by both such fine and imprisonment. Each day a material violation is committed or permitted to continue shall constitute a separate offense.

§ 6-6.11. Audits.

No later than February 15 of every calendar year, each permittee shall file with the City one copy of an audit of its operations for the previous calendar year, completed and certified by an independent certified public accountant in accordance with generally accepted auditing and accounting principles. The audit shall include, but not be limited to, a discussion, analysis, and verification of each of the records required to be maintained pursuant to this chapter.

(§ 3, Ord. 3240 c.s., eff. October 6, 2022)

§ 6-6.12. Records.

Permittees shall maintain records at the premises accurately and truthfully documenting the following:

1. Each cannabis retailer shall maintain accurate books and records in an electronic format, which detail all revenues and expenses of the business, including, but not limited to, all of its assets and liabilities. On no less than an annual basis (at the time of performance review of a retail cannabis business permit issued pursuant to this Chapter 6xxxxxx), or at any time upon reasonable request of the City, each cannabis retailer shall file a sworn statement detailing the number of sales by the cannabis retailer during the previous 3-month period (or shorter period based upon the timing of the request) detailing sales for each month within such period in question. The statement shall also include gross sales for each month and all applicable taxes paid or due to be paid. On an annual basis, each cannabis retailer shall

submit to the City a financial audit of the business's operations conducted by an independent certified public accountant. The City may perform its own annual independent financial audit and charge the retailer for such cost incurred by the City. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the Permit Administrator, subject to any applicable restrictions under the Health Insurance Portability & Accountability Act ("HIPAA") regulations.

2. Each owner and operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the full names, address, and telephone number) of anyone owning, holding an interest in or managing the commercial cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the commercial cannabis business. The register required by this paragraph shall be provided to the Permit Administrator or designee upon a reasonable request.
3. All receipts of the premises, including, but not limited to, all payments, purchases, contributions, reimbursements, and reasonable compensation, whether in cash or in kind, concerning commercial cannabis activities, whether among licensees or otherwise.
4. Commercial cannabis businesses must record all commercial cannabis activity in the track and trace system as required by State law.
5. Proof of compliance with the Act and regulations, including, but not limited to, the license issued by the Department authorizing a permittee to operate commercial cannabis activities on the premises.
6. Any other required documentation described in the Commercial Cannabis Retail Permit required to be maintained on the premises.
7. The foregoing records shall be maintained by permittees for a period of seven years and shall be made available by the permittee to the Police Department, other local law enforcement, or the Permit Administrator upon request. If such records are not produced as requested, the City may seek a search warrant, subpoena, or court order to compel access thereto. The records shall be stored at the premises in a manner capable of being reproduced promptly and accurately. Any loss, damage or destruction of the records shall be reported to the Police Department within 24 hours.
8. Based upon the approved City-wide cannabis business tax, it shall be the duty of every owner and operator of a commercial cannabis business to keep all records as may be necessary to determine the amount of tax due hereunder and shall preserve the same for a period of four years. The Finance Director shall have the right to inspect such records at all reasonable times. The Finance Director

shall determine the mode and method of recordkeeping required to assist the tax collector to perform the duties required of him or her under this section. At the time of permit renewal, each owner and operator shall submit to the City a financial audit of the 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 Finance Director. The Finance Director shall be authorized to engage a third-party to perform such audit(s).

(§ 3, Ord. 3240 c.s., eff. October 6, 2022)

§ 6-6.13. Compliance with laws.

Nothing in this chapter shall be construed as authorizing any actions that violate State or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable State and local laws, any subsequently enacted State law or regulatory, licensing, or certification requirements, and any additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis permit. Nothing in this chapter shall be construed as authorizing any actions that violate State law regarding the operation of a commercial cannabis business. Except as otherwise provided herein, this chapter incorporates the requirements of the Act. In the event of any conflict between the provisions of this chapter and the provisions of the foregoing, the more restrictive provision shall control.

(§ 3, Ord. 3240 c.s., eff. October 6, 2022)

6XXX Persons prohibited from holding a permit or from employment with a cannabis business permittee.

Any person is prohibited from holding or maintaining a cannabis business permit, or from being employed at a cannabis business, if any of the following apply:

- A. The applicant has been denied a cannabis license or permit, or has had a cannabis license or permit suspended or revoked by any city, county, city and county or any other state cannabis licensing authority;
- B. The applicant was notified by the state, county, or city that it was conducting cannabis activity in violation of state law or City ordinances, codes, and requirements, and failed to cure the violation in a timely manner; or
- C. Evidence that the applicant is delinquent in payment of federal, state, or local taxes and/or fees, and took no steps to cure the delinquency when notified by the appropriate agencies.
- D. Subxxxxxx A of this Xxxxx shall not apply to an approved applicant that is not awarded a permit resulting from a city, county, city and county or any other state cannabis licensing authority not selecting them in an application process with a finite number of available permits.

6xxxxxxx: Inspection and Enforcement.

a. The Permit Administrator or designee(s) charged with enforcing the provisions of the City Municipal Code, or any provision thereof, may enter the location of a cannabis retailer at any time, without notice, and inspect the location of any cannabis retailer as well as any

recordings and records required to be maintained pursuant to this Chapter 4-35 or under applicable provisions of State law.

b. It is unlawful for any person having responsibility over the operation of a cannabis retailer, 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 cannabis retailer under this Chapter 6xxxx 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 cannabis retailer under this Chapter 6xxxx or under State or local law.

c. The Permit Administrator or designee(s) charged with enforcing the provisions of this Chapter 6xxxx5 may enter the location of a cannabis retailer at any time during business hours and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the City shall be logged, recorded, and maintained in accordance with the City law enforcement standards for evidence.

6xxx: Concurrent Regulation with the State.

It is the stated intent of this Chapter 6xxx to regulate cannabis retail sales and cannabis retail delivery in the City concurrently with the State.

§ 6-6.14. Interpretation.

The provisions of this chapter shall be read to be consistent with all the provisions of State and local law, and their implementing regulations, as well as the other provisions of this chapter.

(§ 3, Ord. 3240 c.s., eff. October 6, 2022)

§ 6-6.15. Severability.

Should any provision of this chapter, or its application to any persons or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have no effect on any other provision of this chapter or the application of this chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

(§ 3, Ord. 3240 c.s., eff. October 6, 2022)

§ 6-6.16. Limitation of liability.

- a) To the fullest extent permitted by law, the City shall not assume any liability whatsoever, with respect to receiving, reviewing, processing, denying, or approving any application to operate commercial cannabis activities under this chapter.
- b) As a condition of submitting an application for a Commercial Retail Cannabis Permit, and as a further condition of approval, each applicant or permittee, as applicable, shall:
 - (1) agree to indemnify the City and its elected and appointed officers, employees, and representatives, from and against any claims, damages, injuries, or liabilities of any kind relating to or arising from an application, the City's denial or approval of an application, or the operation of commercial cannabis activities;
 - (2) waive any and all claims, damages, injuries, or liabilities of any kind against the City and its elected and appointed officers, employees, and representatives;
 - (3) agree to defend, at its sole cost and expense, any action against the City and/or its elected and appointed officers, employees, and representatives, relating to or arising from an application, denial or

approval of an application, or the operation of a commercial cannabis activity; and (4) agree to reimburse the City for any court costs and attorneys' fees (with legal counsel of the City's choice) incurred in any legal challenge relating to an application, the denial or approval of any application, or the operation of a commercial cannabis activity. (§ 3, Ord. 3240 c.s., eff. October 6, 2022)

6xxxxx: Promulgation of Regulations, Standards, and Other Legal Duties.

I. Pursuant to Sections 11105(b)(11) and 13300(b)(11) of the State Penal Code, which authorizes City authorities to access State and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee, or volunteer of the cannabis retailer must submit fingerprints and other information deemed necessary by the Permit Administrator for a background check. Pursuant to Sections 11105(b)(11) and 13300(b)(11) of the State Penal Code, which requires that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of the record, no person shall be issued a retail cannabis business permit unless they have first cleared the background check, as determined by the Permit Administrator, as required by this Chapter 6xxxxxxx. A non-refundable fee for the cost of the background investigation, which shall be the actual cost to the City to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a retail cannabis business permit is submitted.

a. Consistently with stated requirements of this Chapter 6xxxxxxx (and in particular not to repeal or constructively repeal this Chapter 6xxxxxxx), in addition to any regulations adopted under State law, the Permit Administrator is authorized to establish any additional rules, regulations, and standards governing the issuance, denial, or renewal of retail cannabis business permits, the ongoing operation of cannabis retailers, and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this Chapter 6xxxxxxx.

b. Such regulations shall be published on the City's website.

c. Regulations promulgated by the Permit Administrator shall become effective upon date of publication. Cannabis retailers shall be required to comply with all State and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the Permit Administrator.

6xxxxx. Sensitive Uses. The City Council finds that the definitions of the sensitive uses (licensed day care centers, public parks, schools, and youth centers) under the amendment to Xx 6xxxx of the City Municipal Code in this Ordinance are subject to some degree of interpretation. However, the City Council also finds that certainty regarding the identification of sensitive uses (day care centers, public parks, schools, and youth centers) under the amendments to Xxxxxs 6xxxx and 6xxxx of the City Municipal Code in this Ordinance is required to carry out the purpose and intent of this Ordinance so the that People, the City, and prospective applicants can clearly identify where and where not lawful cannabis retailers under this Ordinance may be located. Accordingly and pursuant to the authority delegated by the State to the City Council under Xxx 26054(b) of the State Business & Professions Code and overriding the location and design requirements contained in Xxxxx 26054(b) of the State Business & Professions Code, the following sensitive uses (licensed day care

centers, public parks, schools, and youth centers) and only the following sensitive uses (licensed day care centers, public parks, schools, and youth centers) located on the following County Assessor’s Identification Numbers and only the following County Assessor’s Identification Numbers shall be considered under the amendment to 6xxxx of the City Municipal Code in this Ordinance for the purpose of the initial establishment of cannabis retailers pursuant to the initial iteration of the cannabis retailer application procedure under the amendment to 6xxxx of the City Municipal Code in this Ordinance (to include any review and scoring of any applications pursuant to the objective review criteria and quantitative evaluation scale under the amendment to 6xxxxx of the City Municipal Code in this Ordinance). Only following the initial iteration of the cannabis retailer application procedure and the initial issuance of retail cannabis business permits under the amendment to 6xxxx of the City Municipal Code in this Ordinance, may the Permit Administrator (his or her designee(s)) reinterpret the following list of sensitive uses (licensed day care centers, public parks, schools, and youth centers) and County Assessor’s Identification Numbers for the purpose of subsequent iterations of the cannabis retailer application procedure under the amendment to 6xxxx of the City Municipal Code in this Ordinance and change in location applications under the amendment to 6xxxxx of the City Municipal Code in this Ordinance.

Name	Sensitive Use Type	County Assessor’s Identification Number(s)
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6.xxxxx Store Front Retail Delivery Requirements.

A. Prior to providing cannabis goods to a delivery customer, operators are required to verify the age and the necessary documentation of each customer. They must ensure that medical customers are at least eighteen (18) years of age and verify that the customer has a valid doctor’s recommendation. In the case of adult-use customers, they must verify that the customer is at least twenty-one (21) years of age. Sales shall only be made to persons matching these criteria.

B. Retail delivery services shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.

C. Prior to commencing delivery operations, a cannabis Retailer shall provide the following information to the City:

1. Proof of ownership of the vehicle or a valid lease for any and all vehicles that will be used to deliver cannabis or cannabis products.
2. The year, make, model, color, license plate number, and numerical Vehicle Identification Number (VIN) for any and all vehicles that will be used to deliver cannabis goods.
3. Proof of insurance as required in Section xxxxxx for any and all vehicles being used to deliver cannabis goods.
4. The permittee shall provide the City with the information required by this section in writing for any new vehicle that will be used to deliver cannabis goods prior to using the vehicle to deliver cannabis goods.
5. The permittee shall provide the City with any changes to the information required by this section in writing within thirty (30) calendar days.

6xxxxxx. Appeals. Appeals relating to a denial of an application; to revoke, suspend or

modify a permit; to deny renewal of an application for a permit; or to add conditions to a permit shall be conducted as prescribed in City of Redondo Beach Code of Ordinances 1-4 "Appeals", recited below:

§ XXXXX Right to appeal. Except as otherwise specifically provided in this Code, any person excepting to the denial, suspension or revocation of a permit applied for or held by him pursuant to any of the provisions of this Code, or to any administrative decision made by any official of the City pursuant to any of the provisions of this Code, may appeal in writing to the Council by filing with the City Clerk a written notice of such appeal, setting forth the specific grounds thereof.

§ XXXXX Time within which an appeal must be filed. Such notice must be filed with the City Clerk within 14 days after receipt of written notice of such action appealed from, but in no event later than 30 days after the date of such action.

§ XXXXX Hearing: Notice. The City Clerk shall forthwith set said matter for hearing before the Council at a subsequent regular meeting and shall cause notice thereof to be given to the applicant not less than five days prior to such hearing, unless such notice is waived in writing by the applicant. At such hearing the appellant shall show cause on the grounds specified in the notice of appeal why the action excepted to should not be approved. The Council may continue the hearing from time to time, and its findings on the appeal shall be final and conclusive in the matter.

6xxxxxxx Contents of Appeal.

A. Within fourteen (14) days after service of the notice of the decision of the City:

1. To deny advancement to the final selection process; or
2. To revoke, suspend or modify a permit; or
3. To deny a renewed application for a permit; or
4. To add conditions to a permit

B. An applicant or permittee may appeal such action by filing a written appeal with the City Clerk setting forth the reason why the decision was not proper.

C. For appeals of a denial of an application prior to the final decision process, reasons shall be stated with specificity and shall address the issues outlined in Section xxxxxxxx

D. The Date of Service shall mean the date when a notice or written decision was personally

delivered to the applicant or permittee or the date when the notice was caused to be delivered by certified, first-class mail.

E. In cases in which the city can verify delivery of a notice to an applicant or in which an applicant is documented as refusing delivery, lack of receipt of the notice cannot form the basis for an appeal.

F. Notice of Appeal - The Notice of Appeal shall be in writing and signed by the person making

the appeal ("Appellant"), or their legal representative, and shall contain the following:

1. Name, address, and telephone number of the appellant.

2. Specify the decisions, actions, or a particular part thereof, made that are the subject of the appeal.
3. Include a true and correct copy of the notice issued by the City Manager for which the appellant is appealing.
4. State with specificity the reasons and grounds for making the appeal, including, but not limited to, a statement of facts upon which the appeal is based in sufficient detail to enable the Appointed Hearing Officer to understand the nature of the controversy, the basis of the appeal, and the relief requested.
5. All documents or other evidence pertinent to the appeal that the appellant requests the Appointed Hearing Officer to consider at the hearing.
6. An appeal fee as established by Resolution of the City Council.

G. Failure of the City Clerk to receive a timely appeal constitutes a waiver of the right to appeal the notice issued by the Permit Administrator. In this event, the Permit Administrator's notice of revocation, non renewal, or suspension shall be final.

H. In the event a written Notice of Appeal is timely filed, the nonrenewal, suspension, or revocation shall not become effective until a final decision has been rendered and issued by the Appointed Hearing Officer. Notices of appeal not served in a timely manner or served by non-operational business shall not serve to allow such business to operate pending appeal.

I. If no appeal is timely filed in the event of a decision of nonrenewal, the Cannabis Businesses Permit shall expire at the conclusion of the term of the permit. If no appeal is timely filed in the event of a decision supporting suspension or revocation, the suspension or revocation shall become effective upon the expiration of the period for filing a written Notice of Appeal.

6.xxxxxx Appointment and Scope of Appointed Hearing Officer.

A. Denial of Application Prior to Final Decision Process. An Appointed Hearing Officer, as set

forth by City Council Resolution, will hear appeals that address the following issues:

1. Any deviation from the City's published Procedure Guidelines and Review Criteria that adversely affected the applicant by altering the outcome of the City's decision on the application. Examples of appealable deviations include, but are not limited to:

- a. Failure on the part of the City to provide appropriate notification regarding changes to the application process via website postings and/or email to the applicant prior to the time the application was submitted;

- b. Failure on the part of the City to provide an applicant an equal opportunity to modify an application where that opportunity was provided to other applicants; or

- c. Failure on the part of the City to correctly apply the Review Criteria, as established by City Council resolution, in reviewing the application.

2. Any appeal based upon this section must be supported by a preponderance of the evidence that the applicant presented the relevant information with completeness and in the appropriate section of the application. Information presented in the application that is incomplete in nature or that is relevant to a question posed by the City on the application form but appears in the incorrect section, even if complete, may be grounds for the dismissal of the appeal.

6.xxxx Appeal Hearing Process and Proceedings.

A. Review by City Council or Appointed Hearing Officer.

1. Appellants who file a timely written Notice of Appeal will be entitled to an administrative hearing before the Appointed Hearing Officer as set forth by the City Council by Resolution.

2. Upon receipt by the City Clerk of a timely-filed Notice of Appeal, the City Clerk shall

schedule a hearing within thirty (30) days. In the event such hearing cannot be heard within that time period or a mutually agreed upon time with the appellant, then the City Clerk shall schedule the appeal to be heard within forty-five (45) days or as reasonably possible.

3. The appellant(s) listed on the written Notice of Appeal shall be notified in writing of the date, time, and location of the hearing at least ten (10) days before the date of the hearing ("Notice of Appeal Hearing").

4. A request by an appellant or by the City to continue a hearing must be submitted to the City Clerk in writing no later than three (3) business days before the date scheduled for the hearing. The Appointed Hearing Officer may continue a hearing for good cause or on its own motion; however, in no event may the hearing be continued for more than thirty (30) calendar days, unless there is a stipulation by all parties to do so.

B. At the date, time and location set forth in the Notice of Appeal Hearing, the Appointed Hearing Officer shall hear and consider the testimony of the appellant(s), City staff, and/or their witnesses, as well as any documentary evidence properly submitted for consideration.

C. The following rules shall apply at the appeal hearing:

1. Appeal hearings are informal, and formal rules of evidence and discovery do not apply. However, rules of privilege shall be applicable to the extent they are permitted by law, and irrelevant, collateral, undue, and repetitious testimony may be excluded.

2. The City bears the burden of proof to establish the grounds for nonrenewal, suspension, revocation, modification of the permit, or adding conditions to the permit by a preponderance of evidence. Appellant(s) bear the burden of proof regarding denial of an application or denial of advancement to the final selection process established by the City Council.

3. The issuance of the City's notice constitutes prima facie evidence of grounds for the

denial, nonrenewal, suspension or revocation.

4. The Appointed Hearing Officer may accept and consider late evidence not submitted initially with the Notice of Appeal upon a showing by the appellant of good cause. The Appointed Hearing Officer shall determine whether a particular fact or set of facts amount to good cause on a case-by-case basis.

5. The appellant may bring a language interpreter to the hearing at their sole expense.

6. The City may, at its discretion, record the hearing by stenographer or court reporter,

audio recording, or video recording. If the appellant requests from the City that a court

reporter, stenographer, or videographer be used, appellant shall bear the costs of same and shall deposit such fees prior to commencement of the administrative hearing.

D. If the appellant, or their legal representative, fails to appear at, the appeal hearing, the Appointed Hearing Officer, may cancel the appeal hearing and send a notice thereof to the appellant by certified, first-class mail to the address(es) stated on the Notice of Appeal. A cancellation of a hearing due to non-appearance of the appellant shall constitute the appellant's waiver of the right to appeal and a failure to exhaust all administrative remedies. In such instances, the City's notice of decision is final and binding.

E. Final Decision. Following the conclusion of the hearing, the Appointed Hearing Officer shall issue a written decision within twenty (20) days which (i) determines if the action appealed from is affirmed or overturned and (ii) specifies the reasons for the decision.

F. The written decision of the Appointed Hearing Officer shall provide that it is final and conclusive and is subject to the time limits set forth in California Code of Civil Procedure Section 1094.6 for judicial review.

G. A copy of the written decision shall be served by certified, first-class mail. on the appellant. If the appellant is not the owner of the real property in which the Cannabis Business is located, or proposed to be located, a copy of the final decision may also be served on the property owner by first class mail to the address shown on the last equalized assessment roll. Failure of a person to receive a properly addressed final decision shall not invalidate any action or proceeding by the City pursuant to this Chapter.

6.xxxxx City's Reservation of Rights. The City reserves the right to reject any or all applications for a Cannabis Business Permit. Prior to permit issuance, the City may modify, postpone, or cancel any request for applications, at any time without liability, obligation, or commitment to any party, firm, or organization, to the extent permitted under California law. Persons submitting applications assume the risk that all or any part of the Cannabis Business Permit program, or any particular category of permit potentially authorized under this Chapter, may be cancelled at any time prior to permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to a failure to comply with other requirements in this Chapter, an application may be rejected for any of the following reasons:

A. The application was received after the designated time and date of the deadline.

B. The application did not contain the required elements, exhibits, or was not organized in the required format.

C. The application was considered not fully responsive to the request for a permit application, i.e., was substantially incomplete.

6.xxxxx Effect of State License Suspension.

A. Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the Cannabis Business Permit of

the Cannabis Business.

B. If the State of California or its respective department or division reinstates or reissues the

State license, the Cannabis Business may seek reinstatement of its Cannabis Business Permit

if the business can demonstrate that the grounds for revocation of the license by the state

no longer exist or that the underlying deficiency has otherwise been cured.

C. Any Cannabis Business Permittee shall inform the City of any suspension of a state license.

6.xxxxxx Effect of State License Revocation or Termination.

A. Revocation or termination of a license issued by the State of California, or by any of its departments or divisions, shall immediately revoke or terminate the Cannabis Business Permit of the Cannabis Business.

B. Any Cannabis Business Permittee shall inform the City of any revocation or termination of a state license.

C. A Cannabis Business Permittee may appeal the immediate revocation or termination of the Cannabis Business Permit pursuant to Section xxxxxxx but may not operate pending the decision of the appeal.

6.xxxxxxx Fees Deemed Debt to the City. The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the City that is recoverable via an authorized administrative process as set forth in the City ordinance or in any court of competent jurisdiction.

6.xxxxx Permit Holder Responsible for Violations. The person to whom a permit is issued pursuant to this Chapter shall be responsible for all violations of the laws of the State of California or of the regulations and/or the ordinances of the City, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the Cannabis Business whether or not said violations occur within the permit holder's presence.

6.xxxxxx No Vested Rights. No person(s) (including any Applicant, Owner, and/or Permittee) shall have any vested rights to any permit, right, and/or interest under this chapter, regardless of whether such person(s) sold, distributed, and/or otherwise engaged in acts related to the use of Cannabis prior to the adoption of the ordinance codified in this Chapter.