



**SISKIYOU COUNTY  
PLANNING STAFF REPORT**  
July 11th, 2017

**TO: BOARD OF SUPERVISORS**

**FROM: ALLAN CALDER, COMMUNITY DEVELOPMENT DIRECTOR**

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**SUBJECT: STAFF REPORT ON POTENTIAL COMMERCIAL MEDICAL CANNABIS  
CULTIVATION PILOT PROGRAM**

**INTRODUCTION: BACKGROUND AND REGULATORY SETTING**

Due to recent changes in State law, the County is considering how to regulate or limit commercial cannabis activity within the County's unincorporated area. Over the past two years, the landscape of California's cannabis regulation has been rapidly shifting, leaving local jurisdictions struggling to keep pace. In 2015, the state passed the Medical Cannabis Regulation and Safety Act (MCRSA), which created a state licensing system for commercial medical cannabis activities. This commercial licensing system required applicants to obtain a local permit as a precursor to obtaining a state commercial license. In Siskiyou County, commercial cultivation of medicinal marijuana was foreclosed by the nature of the County's medical marijuana cultivation ordinance, which limited cultivation in the unincorporated areas of the County to the personal growing of 12 cannabis plants by patients and caregivers. In 2016, the voters of California passed Proposition 64, the Adult Use of Marijuana Act (AUMA), which created a State licensing system for nonmedical commercial cannabis activities that largely paralleled, with certain exceptions, MCRSA's licensing system. AUMA's commercial licensing scheme did not require a local permit as a precursor to a state-issued license, though it provided that no state license would be issued for commercial activities prohibited by a local ordinance. AUMA also provided that persons could legally grow six recreational cannabis plants in their residence or on the grounds of their residence for personal use and that while a local jurisdiction could limit the location of those plants to within a residence or within an associated secure accessory structure (banning outside growth), a local jurisdiction could not completely prohibit personal cultivation of six plants. This meant that if the County desired to limit personal cultivation of six recreational cannabis plants to indoors, and if the County desired to limit or regulate commercial nonmedicinal cannabis activities before state licensing in 2018, then local legislative action was necessary on non-medicinal cannabis.

On March 7th, 2017, the Siskiyou County Board of Supervisors approved the formation of an Ad Hoc Cannabis Committee to consider how to regulate cannabis activities under AUMA and MCRSA. The committee was comprised of seven members, including two supervisors, a Sheriff's Office representative, two cannabis industry advocates, and two residents living among some of the heaviest black market grows in the County. The Committee, in addition to advising the Board that the local cultivation ordinance should be revised to simplify the type of accessory structure within which personal adult-use and medicinal cannabis cultivation would be allowed, to expand the definition of cannabis, and to address personal cultivation under AUMA, also made recommendations about commercial cannabis activities within the unincorporated area of the County. This staff report responds to direction from the Board to analyze one of the Ad Hoc Committee's recommendations, which was to explore a pilot program allowing limited commercial cultivation of medicinal cannabis on parcels that are zoned AG-1

(40 acre minimum) or AG-2 (10 acre minimum) with the thought that local growers might supply local dispensaries operating within incorporated cities.

Since the Board's initial direction in May 2017 to draft this staff report and to bring forward amendments to the Code, the legislature passed a budget trailer bill, SB 94, which repealed MCRSA, and established a single regulatory structure for both medicinal and adult-use cannabis, known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). On June 27, 2017, Governor Brown approved this new legislation, making MAUCRSA the new operative law under which the County must now consider local regulation of commercial cannabis activities. Under MAUCRSA, the state will begin issuing licenses for medicinal and adult-use commercial cannabis activities on January 1, 2018. However, State issued-licenses will be denied to license applicants that seek licensing for a commercial cannabis activity that is prohibited by a local ordinance. (Business & Professions Code, § 26055(g)(1)).<sup>1</sup>

Staff brings forward this staff report with the understanding that the Board desires to review this report prior to staff bringing forward other amendments to the Siskiyou County Code so that the Code is revised in a comprehensive fashion in regards to the regulation of cannabis in the unincorporated area of Siskiyou County. Thus, future amendments related to the County's regulation of personal home cultivation of adult-use cannabis,<sup>2</sup> the expansion of the definition of cannabis to align with that used in state law,<sup>3</sup> the simplification of the accessory structure required for personal adult-use and medicinal cultivation, and the directed initial prohibition on commercial activities involving *nonmedicinal* cannabis, are pending further consideration by the Board of this report. In addition, it should be noted that this staff report focuses on land use compatibility issues and does not consider the taxing of the activities described here.

**THE AD HOC COMMITTEE'S "OPTION 3C":  
MEDICINAL CANNABIS COMMERCIAL CULTIVATION PILOT PROGRAM**

The Ad Hoc Cannabis Committee proposed a limited foray into allowing commercial cultivation of medicinal marijuana through a small-scale pilot program, which it entitled in its May 2017 report, "Option 3C". Option 3C would potentially allow local growers to supply local dispensaries in incorporated cities with medicinal cannabis for local patients.<sup>4</sup> The Committee's proposed limited pilot program would

<sup>1</sup> Under MAUCRSA, local jurisdictions retain their authority to limit or prohibit commercial cannabis activities. Business and Professions Code section 26200(a) (1) provides that "[t]his division shall not be interpreted to supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate businesses licensed under this division, including, but not limited to, local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to secondhand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed under this division within the local jurisdiction."

<sup>2</sup> At present, state law allows persons to grow six cannabis plants for personal recreational use within their residence or upon the grounds of their residence, which growth is not currently regulated under Siskiyou County's Medical Marijuana Cultivation Ordinance, pending future amendment.

<sup>3</sup> MAUCRSA, at Business and Professions Code section 26001(f), defines "Cannabis" to mean 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 division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

<sup>4</sup> The Ad Hoc Committee identified advantages and disadvantages of the County engaging in this type of medical cannabis cultivation pilot project. Advantages included: 1) Allows safe access for local medical patients; 2) Allows a determination of whether the County can effectively monitor and enforce limited outdoor grows; 3) Provides some funds for civil and criminal enforcement activities; 4) Allows a determination of whether licensed, permitted and taxed outdoor

consist of the permitting of up to three (3) outdoor commercial cultivation sites, and one (1) indoor commercial cultivation site, within the unincorporated area of Siskiyou County on a time-limited, one year trial basis.

Each of the three (3) outdoor cultivation sites would be limited to a cultivation area of 5,000 square feet of canopy or up to 50 plants. Under MAUCRSA, this type of outdoor cultivation would require a grower to obtain a Type 1 state-issued license (Cultivation; Specialty Outdoor; Small). This type of activity would, at minimum, also be subject to a County use permit.

The pilot program's single indoor cultivation site would be limited to a cultivation area of 5,000 square feet in a fully enclosed structure (i.e. solid walls and roof), which cultivation would exclusively rely upon an artificial light source. Under MAUCRSA, this type of cultivation would require a state-issued Type 1B license (Cultivation; Specialty Mixed-Light; Small). The County would also require, at minimum, a use permit and a building permit.

Consistent with the Ad Hoc Committee's recommendation that the pilot program be limited to medicinal marijuana, this analysis assumes a licensed grower at each of these four potential sites would obtain a California state-issued "M"-License for cultivation of medicinal cannabis. However, staff recognizes that in regards to land use impacts, whether the state license obtained is an "A"-License for commercial cultivation of adult-use marijuana or the license is an "M"-License for commercial cultivation of medicinal marijuana, land use impacts remain the same, although the end user of the cannabis is different.

#### **ANALYSIS OF ZONING DISTRICT SUITABILITY FOR OPTION 3-C PILOT PROGRAM**

County planning staff has evaluated several possible zoning districts for the siting of the above described pilot commercial medicinal cannabis cultivation program. While staff initially analyzed the Ad Hoc Committee's recommendation to locate the pilot program on Prime Agricultural Land (AG-1) and Non-Prime Agricultural Land (AG-2), staff expanded its evaluation to other zoning districts after identifying certain potential land use incompatibilities and local land use policy implications associated with use of AG-1 and AG-2 lands. Below staff has analyzed location of the pilot program in five different zoning districts. Staff's analysis does not include consideration of any residential zoning districts.

**AG-1: Prime Agricultural Land** – At the outset it should be noted that the Siskiyou County General Plan, at Policy 37, states that “[o]nly agricultural uses are permitted on prime agricultural land.” Therefore, the use of Prime Agricultural Land for this pilot program raises a question about how this County classifies cannabis cultivation: Is commercial cannabis cultivation “agriculture” for the purposes of our General Plan and county code? MAUCRSA does not define cannabis as an agricultural product for all purposes; rather MAUCRSA provides at Business and Professions code section 26069(a), that “[f]or purposes of this division, cannabis is an agricultural product.” “[T]his division” refers to Division 10 of the Business and Professions Code. “[T]his division” does not include the Civil Code, which at Section 3482.5 contains the authority for our local Right to Farm ordinance, nor does “this division” include the Government Code, which includes the Williamson Act, nor does “this division” refer to our County Code. Cannabis cultivation is an inherently unique land use and it differs from the growing of traditional crops like strawberries or alfalfa in that cannabis remains classified by the federal government as a Schedule I drug, a drug that has a high potential for abuse.<sup>5</sup> The high monetary value of this plant, and the unique qualities of this plant, the qualities that excite its proponents, also create unique health, safety and security concerns for the County to consider, which concerns are unrelated to the type of outdoor

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grows can be economically self-sustaining; 5) Lower local prices through greater local supply, thus discouraging black market growers from supplying the local market. Disadvantages included: 1) Any permitted outdoor growing may invite more black market growers; and 2) Persons without serious medical conditions may gain easier access to cannabis products.

<sup>5</sup> See Federal Controlled Substances Act, 21 U.S.C. §§ 801 et seq.

agriculture currently sited on prime agricultural lands in Siskiyou County.<sup>6</sup> It should be emphasized that if cannabis is not considered an agricultural activity or product for purposes of the General Plan or Siskiyou County Code, then that does not foreclose use of all agricultural lands; rather the next question is whether cannabis cultivation is a compatible use with agriculture that could be conditionally permitted in an AG-2 District, and if not, then what is the most appropriate zone for that activity to be sited within?

The AG-1 District classification is intended to be applied to land areas which are used or are suitable for use for intensive agricultural production. Such areas are designated as "Prime" on the County General Plan. Uses that are permitted in this zone are: 1) single family dwellings or mobile homes incidental to and necessary for caretaker or agricultural pursuits, and a second dwelling unit; 2) accessory uses incidental to agriculture; 3) agricultural uses, including, but not limited to tree, vine, row, field crops, growing and harvesting of trees, livestock farming, and animal husbandry, but not including dairies, commercial feed lots, or commercial poultry or hog raising operations; 4) Farm labor housing; and 5) wholesale nurseries with retail sales incidental thereto, greenhouses, fish farms, frog farms, and roadside stands for seasonal sales of agricultural products from the premises. (See Siskiyou County Code, §10-6.5002.) Conditionally permitted uses in this district range from private airports, dairies, poultry and hog farms, public utility buildings, to home occupations. (See Siskiyou County Code, §10-6.5003.) The growing of a high monetary value controlled substance is a unique land use, with unique legal, and health, safety, and welfare impacts. At the time this district ordinance was drafted cannabis cultivation was not contemplated among these traditional farming uses, and thus a zoning amendment would be needed to add cannabis cultivation as a conditionally permitted use in the AG-1 District if the pilot program were to take place on AG-1 lands. While the advantages of using AG-1 land for this proposed pilot program include that the soils and growing environment is optimal in prime agricultural areas, water resources can be plentiful in prime agricultural areas, and these lands are generally flat requiring little grading for project start up; the disadvantages include the loss of prime agriculturally productive lands for traditional pursuits recognized as agriculture in this county, potential conflicts with the Scott Valley Area Plan<sup>7</sup>, and the need to address whether Cannabis cultivation is a compatible use upon Williamson Act contracted land. These are considerations that would be considered by the Planning Commission and then by the Board if the pilot program moves forward as recommended by the Ad Hoc Committee and a zoning district amendment for the AG-1 District were drafted by staff and taken to the Planning Commission.

**AG-2: Non-Prime Agricultural Land** - The AG-2 District is intended to provide an area where general agricultural activities and agriculturally related activities can occur. Because the soil, climatic, and cropping history of the County differs from area to area, minimum parcel sizes for the AG-2 District varies in order to account for such differences. The uses permitted in the AG-2 District include: 1) Farm labor housing; 2) Single-family dwellings or mobile homes, incidental and necessary for agricultural pursuits, as well a guest house or second dwelling unit; 3) Accessory uses incidental to agriculture; 4) Agricultural uses, including, but not limited to tree, vine, row, and field crops, growing and harvesting of trees, and

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<sup>6</sup> Some local jurisdictions have recognized this distinction, and for clarity provide in their code that cannabis is not an agricultural activity or agricultural product for purposes of their code. For example, Nevada County defines marijuana as follows: "Marijuana' shall have the same meaning as that set forth in Health and Safety Code Section 11018, as may be amended. Marijuana, Medical Marijuana, and the Cultivation thereof, as defined in this Article shall not be considered an agricultural activity, operation or facility under Civil Code Section 3482.5 or an Agricultural Product as defined in Section L-II 3.3 of the Nevada County Land Use and Development Code, or an Agricultural Operation as defined in Sections L-II 3.3, L-II 6.1 and L-XIV 1.1 of the Nevada County Land Use and Development Code."

<sup>7</sup> Development Goal # 1 of the Scott Valley Area Plan is that "prime agricultural land must be protected from non-compatible or intense development."

livestock farming and animal husbandry, but not including dairies, commercial feed lots, or commercial poultry, and hog raising operations; 5) wholesale nurseries with retail sales incidental thereto, greenhouses, fish farms, frog farms, and roadside stands for sales of agricultural products from the premises. (See Siskiyou County Code, § 10-6.4902.) Conditionally permitted uses in this district range from private airports, to hog farms, to golf courses, to agricultural warehouses and processing of agricultural products. (See Siskiyou County Code, § 10-6.4903.) As noted above, the growing of a high-value controlled substance is a unique use of property not contemplated at the time this district ordinance was drafted, and thus a zoning amendment would be needed to add cannabis cultivation as a conditionally permitted use in the AG-2 District if this pilot program were to take place on AG-2 lands.

The advantages of using AG-2 land for this proposed pilot program include that the growing environment is potentially well suited in non-prime agricultural areas; water resources can be plentiful in non-prime agricultural areas; agricultural lands are generally flat requiring little grading for project start up; and soils may be well suited to cultivating cannabis. The disadvantages include the loss of agriculturally productive lands in non-prime agriculture areas; the need to address whether Cannabis cultivation is a compatible use upon Williamson Act contracted land; the potential that this land use is not compatible with agriculture. These are considerations that would be considered by the Planning Commission and then by the Board if the pilot program moves forward as recommended by the Ad Hoc Committee and a zoning district amendment for the AG-2 District were drafted by staff and taken to the Planning Commission.

Because staff identified the issues above related to use of AG-1 and AG-2 for this pilot program, staff decided to also explore other zones within which the pilot program could potentially take place.

**M-L: Limited Industrial:** The M-L District is designed to provide an environment for the aggregation of compatible, non-nuisance type industrial uses where activities are conducted and confined within a building or structure. The M-L District is intended to establish areas where industrial activities, laboratories, and clean, quiet operations can function within the context of an industrial park concept. The uses permitted in the M-L District include administrative offices in conjunction with permitted industrial uses; bookbinding, lithography, printing, and publishing facilities; assembly or packaging of products from previously prepared materials, such as cloth, plastic, paper, leather, wood, glass, metal, or stone; public uses and utilities, not including disposal sites, sewage treatment, and power plants; medical and dental laboratories; wholesale sales in conjunction with allowed uses and retail sales; large and mini-storage facilities; trade and vocational schools; and cabinet shops. (See Siskiyou County Code, § 10-6.4502.) Conditionally permitted uses range from research and development laboratories and institutes; to manufacturing of electrical or electronic instruments and devices; to manufacturing of pharmaceuticals and similar products; to heliports; or retail establishments designed to serve surrounding industrial uses, such as restaurants and gasoline/diesel fuel stations; and appurtenant outside storage when contained fenced. (See Siskiyou County Code, § 10-6.4503.) In considering the compatibility of the pilot program for this zoning district, staff developed the following list of “Pros” and “Cons”.

**PROS:**

- In M-L – “activities are to be confined within a building or structure” making it a potentially suitable zone for indoor cultivation.
- There may be less “sensitive receptors” on adjacent lands than in AG-1 and AG-2 zones (homes, schools, recreation centers, etc.)
- Odor issues can be minimized with less people residing in the area
- Chemicals typically used in cannabis cultivation and potential spills can be easier contained
- *Limited Industrially* zoned areas are typically designed to accept vehicles for deliveries

**CONS:**

- There is a higher volume of commercial uses and thus higher volume of people in *Limited Industrial* zones.
- Cannabis production is not a use by right in this zoning district. Either a zoning text amendment would be required to allow such use or applicant would need to apply for a use permit with discretionary review by the Planning Commission.
- Incompatible land uses could result.

**M-M: *Light Industrial*:** The *M-M* District is intended to establish areas where light manufacturing and the less abrasive industrial activities may take place, particularly where heavy industry may not be appropriate. To provide for maximum harmony within the community, *M-M* District uses shall be designed and constructed to occur within confined areas. Permitted uses in the *M-M* District include, among others, nurseries and greenhouses; lumber yards; feed stores; wholesale storage and distribution of foods and materials, including warehouses, moving services, delivery services, and similar uses; fruit and vegetable freezing, processing, and packaging operations, but not including canneries; and bottling works. (See Siskiyou County Code, § 10-6.4602.) Conditionally permitted uses in the *M-M* District include, among others, primary or secondary manufacture of pharmaceuticals; micro-distilleries, wineries and breweries; airstrips and heliports; and truck terminals and truck storage. (See Siskiyou County Code, § 10-6.4603.) In considering the compatibility of the pilot program for this zoning district, staff developed the following list of “Pros” and “Cons”.

**PROS:**

- In *M-M* – “activities are to be designed and constructed to occur in confined areas”
- There may be less “sensitive receptors” on adjacent lands than in *AG-1*, *AG-2* *M-L* and zones (homes, schools, recreation centers, etc.)
- Odor issues can be minimized with less people working / residing in the area
- Chemicals typically used in cannabis cultivation and potential spills can be easier contained
- *Light Industrial* areas are typically designed to accept vehicles for deliveries

**CONS:**

- Cannabis production is not a use by right in this zoning district. Either a zoning text amendment would be required to allow such use or applicant would need to apply for a use permit with discretionary review by the Planning Commission
- Incompatible land uses could result – but are unlikely

**M-H: *Heavy Industrial*:** The purpose of the *M-H* District is to permit the normal operations of almost all industries, subject only to those regulations needed to control congestion; manage traffic circulation; provide fire and natural hazard protection; protect the surrounding areas or adjoining premises; and protect industrial areas from intrusion by nonindustrial activities. Any use permitted by right in the *M-L* or *M-M* District, are permitted in the *M-H* District, except that activities confined to buildings in those zones are not so confined in the *M-H* District. Uses permitted by right in the *M-H* District include, among others, bottlers, distilleries, and wineries; canneries and agricultural processing; creameries and milk bottling or distributing stations; Truck terminals and truck storage; and ice manufacturing and cold storage. (See Siskiyou County Code, § 10-6.4702.) Conditional permitted uses in the *M-H* District include, among others, saw mills and pulp and paper mills; commercial hog raising and poultry raising; commercial feed yards and animal sales; and junk yards, wrecking yards, and automobile dismantling. (See Siskiyou County Code, § 10-6.4703.) In considering the compatibility of the pilot program for this zoning district, staff developed the following list of “Pros” and “Cons”.

PROS:

- Uses permitted by right in the M-H District include, among others, bottlers, distilleries, and wineries; canneries and *agricultural processing*; creameries and milk bottling or distributing stations
- There may be less “sensitive receptors” on adjacent lands than in AG-1, AG-2, M-L and M-M zones (homes, schools, recreation centers, etc.)
- Odor issues can be minimized with less people working / residing in the area
- Chemicals typically used in cannabis cultivation and potential spills can be easier contained
- Heavy Industrial areas are typically designed to accept vehicles for deliveries

CONS:

- Cannabis production is not a use by right in this zoning district. Either a zoning text amendment would be required to allow such use or applicant would need to apply for a use permit with discretionary review by the Planning Commission
- Incompatible land uses could result – but are unlikely

**STAFF CONCLUSIONS ON ZONING DISTRICT SUITABILITY FOR OPTION 3-C PILOT PROGRAM**

Based on the land suitability analysis above, the Community Development Department staff has concluded that the medical cannabis cultivation pilot project may be best suited for the County industrial zones of M-L, M-M and M-H. Staff’s conclusion is based on the following considerations:

- The zoning districts of M-L, M-M and M-H have fewer adjacent “sensitive receptors” (homes, schools, recreation centers, etc.)
- Security and enforcement issues are more easily addressed by law enforcement officials in the M-L, M-M, and M-H zoning districts, which tend to be located along the highly visible I-5 corridor.
- Due to the zoning text language in M-L – “activities are to be confined within a building or structure”, the M-L zone may be best suited for the Type 1B cannabis cultivation (i.e. in fully enclosed structure with walls and a roof).
- Due to the zoning text language in M-M – “activities are to be designed and constructed to occur in confined areas”, the M-M zone may be best suited for the 3 - Type 1 cannabis cultivations (i.e. outdoor grows).
- The M-H District may be suitable for cultivation under both a Type 1 and Type 1B license subject to a conditional use permit.
- The County currently has a **total of 3,005 acres** of land zoned as either M-L, M-M or M-H. (See Figure 1 below.) These zoning districts are largely found adjacent to the Interstate 5, SR 97, and SR 89 corridors, with some exceptions.
- M-L, M-M and M-H zones have appropriate setback provision.
- If this pilot project was to roll out eventually into a full project, rezoning of some County property may be warranted due to the limited existing supply of M-L, M-M and M-H zoned land.
- Because of the unique and specialized nature of the pilot project, use permit applications should be evaluated in accordance with a rigorous set of performance standards<sup>8</sup>

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o <sup>8</sup> Type 1 license cultivations are to be located in a fenced and locked outdoor space and shall not be visible by normal unaided vision from any point beyond the property line.

o Type 1B license cultivation shall occur only within a fully enclosed (i.e., with walls and roof) buildings.

o Buildings must use artificial illumination.

o All artificial light sources and illuminated surfaces generated by growing facility shall be screened from view from any point beyond the property line.

o Buildings shall be separated from sensitive receptors including, but not limited to, schools, parks, youth facilities, and dwellings by a distance of at least 600 feet.

## ADMINISTRATION AND ENFORCEMENT IMPLICATIONS

Developing the Option 3-C pilot program and then regulating, permitting and monitoring the 4 medical cannabis cultivation pilot project sites would require significant time and resource investment from the Community Development Department's three branches: Planning, Building, and Environmental Health. Existing staff resources are limited, which means additional outside contractors and consultants or additional staff would be needed to bring this program to fruition. This means that a significantly higher fee structure would be required to service the 4 pilot project sites. These higher fees would offset some of the additional costs that would be borne by the Department. Proposed fee structure should be sufficient to fully cover the administrative and consultant costs of both permit processing and ongoing monitoring of any permit conditions or CEQA mitigation measures that are adopted as part of the use permit process.

Given current staffing limitations, the Board may wish to consider using pilot project application and/or permit fees to engage a specialized consultant to regulate, permit and monitor the 4 medical cannabis cultivation pilot projects.

## CONCEPTUAL LICENSING PROCESS

A lottery process is proposed to provide equality and fairness when selecting license applicants. A detailed list of criteria (to be determined) will need to be fulfilled by applicant to provide complete applications. Some conceptual guidelines of the licensing process are listed below:

- Potential applicants will be required to register with the County. Each registered applicant will be allowed one entry into lottery.
- License priority will be given to long-term Siskiyou County residents. For the purpose of this lottery, long-term is defined as ten (10) years or more of County residency. Proof of long-term residency will be required.
- Applicants will determine in applications whether they are seeking a Type 1 or Type 1B license.
- Applications will be chosen at random upon the closure of the application period.
- The first four (4) complete applications will advance through the County review process (3 - Type 1 and 1 - Type 1B). Two (2) backups for each license will be held in reserve if originally selected applicant is removed from licensing process.
- Selected applicants will be required to provide to the County a land lease on an industrial zoned property and provide proof of water source for cultivation within 90 days of being granted license.
- County use permits and business licenses will be granted for a 1-year period.

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- No signage shall be allowed that would indicate that cannabis cultivation is occurring.
  - Truck deliveries and use of any motorized transportation equipment shall be limited to daylight hours.
  - The four (4) pilot project cultivation sites shall be located within five (5) miles of Interstate 5 or a State highway.
  - All buildings shall comply with applicable Building Code requirements.
  - All site grading shall comply with the California Code of Regulations Title 24 Part 2 Volume 2 Chapter 18.
  - Buildings shall comply with setback and all other provisions of the Zoning Ordinance that pertain to the applicable zoning district.

**SUGGESTED MOTION**

Community Development staff is seeking County Board of Supervisors' direction for future action on Medical Cannabis Cultivation pilot project.

**CEQA**

If the County Board of Supervisors directs staff to work on ordinance changes that would allow limited commercial cultivation of medical cannabis in the unincorporated areas of the County, planning staff will analyze, as part of bringing the ordinances forward to the Planning Commission, what level of environmental review is appropriate under CEQA. Other counties that are allowing commercial cultivation appear to be engaging in some level of environmental review.

**FIGURE 1. COUNTY INDUSTRIAL ZONING TOTALS**

ZONING	FREQUENCY (zoning polygons not parcels)	SUM_GIS_Ac
M-H	24	2,197.4
M-L	13	39.6
M-L-B-40	1	1.0
M-M	48	656.5
M-M-B-10	1	22.5
M-M-B-2.5	1	83.2
M-M-B-5	1	5.1
	89	<b>3,005.5</b>