

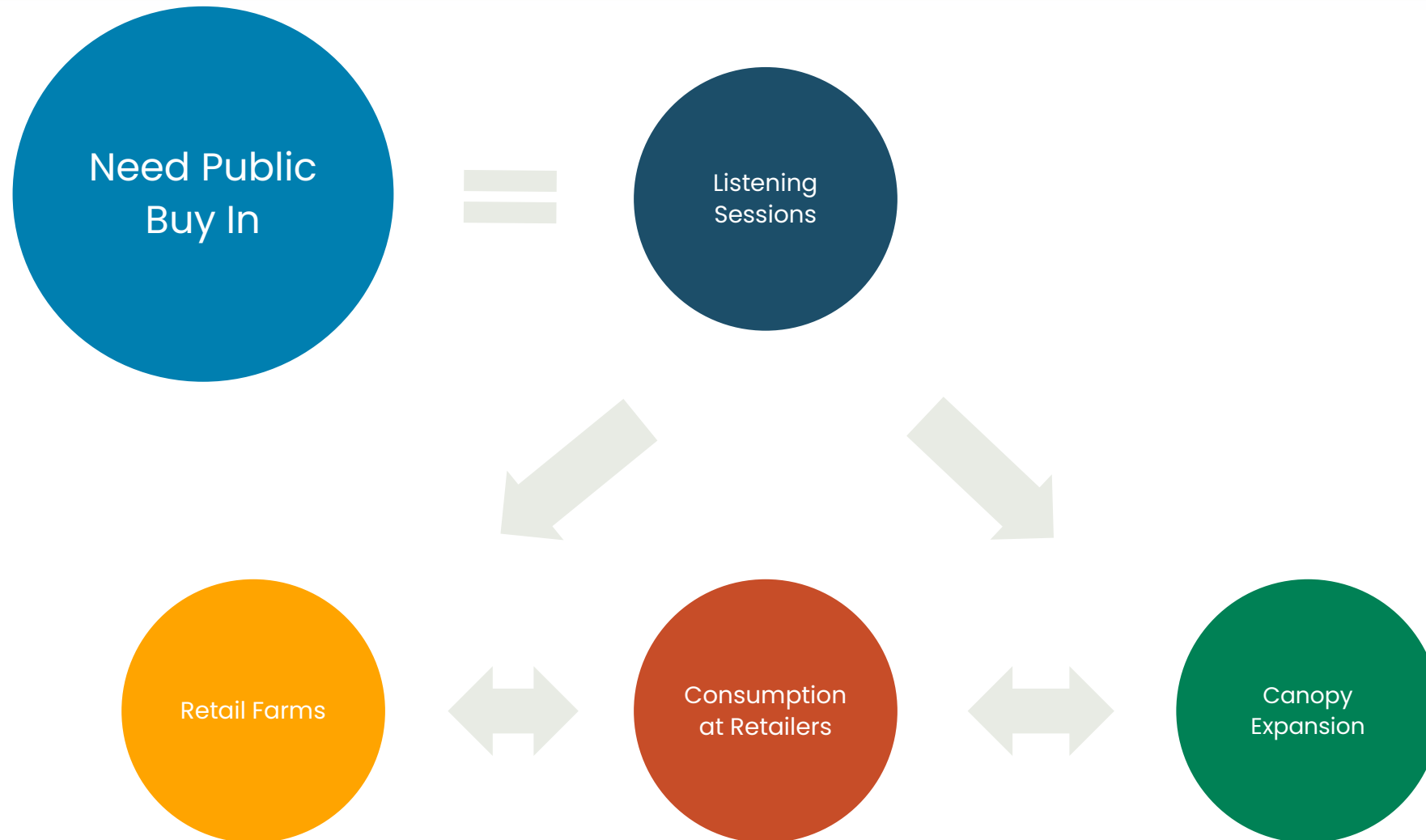
Cannabis Licensing Office



# **Item 7 Proposed Code Amendments to Allow Retail Sales and Cannabis Consumption at Farms**

# Background

November 14, 2023 Board Meeting



# Background

April 2024 Public Listening Sessions



Listening Sessions occurred in 4 Districts

- Board members directed CLO who to reach out to
- Board members advertised these
- PIO helped publicize via:
  - NextDoor, X, Facebook, Press release
  - Over 15,100 view of these posts
- 80 Community Members attended
  - Meetings were hybrid format

# Background

June 4, 2024 Board Meeting

## Board Consideration of Listening Sessions

- Thorough discussion of community meeting feedback and themes
- Staff directed to draft ordinances for Board consideration
  - Today's item focuses on:
    - Allowing retail sales and consumption at farms



# Background

October 29, 2024 Board Meeting



## Board Consideration of Draft Ordinance

- Direction on retail farms sales was to limit sales to 1/8 ounce flower
  - Discussion on extracts and limitations
  - Staff included language to enact the Boards vision within the Ordinance:
    - Manufactured product sales are limited to food grade and topical products produced by the licensee....

# Background

November 2023 – Present

**November  
2023**

Board Letter focused on sustainable growth, economic development, and responsible cannabis regulation

**April  
2024**

Four community listening sessions held

**June  
2024**

Board and Community discussed the results of the listening sessions / Board chose to move forward with Ordinances

**October  
2024**

Board reviewed draft ordinances and requested staff to proceed

**January  
2025**

Board reviewed options for consumption locations

**February  
2025**

Planning Commission reviewed retail farm landuse changes

**March  
2025**

Board vote on ordinance changes

**In total there have been 9 public meetings allow for community input**

# **Proposed Code Amendments to Allow Retail Sales and Consumption at Farms**

# Trio of Code Amendments

- Chapter 7.138 – new code
  - Allow for retail cannabis sales and consumption at farms
  - Only via produce stand land use allocation of SCCCC 13.10.640
  - Operational Restrictions
    - Licensing / security / noise / hours of operation / delivery prohibition/ driver restrictions
- Chapter 13.10.640 – amendments for farm stand code
  - Allow retail sales in the CA, A, SU, & TP zone district
  - Operational restrictions (seasonality / only sell what you grow and make)
  - Restricts size of structure
  - Sets parking standards
- Chapter 13.10.372 – amendments to TP use chart
  - Allowing farm stands per 13.10.640

# **Cannabis vs Traditional Farm Stand**

- Cannabis Farms stands can't be located on the side of the road
  - Must be adjacent to the cultivation
  - Cultivation requirements includes setbacks:
    - adjacent homes, roads, schools, etc.
- Cannabis Farm Stands are operated by staff
- Not like the apple stands in Corralitos
- They can't be visible from the public roadway
- Prohibited from roadside advertising
  - Billboards / Sandwich Boards

# Licensing Process

- CLO application review
  - Must make findings for eligibility
  - Must make a CEQA determination
  - Conditional Approval
    - Triggers public notification process
      - County mails notices to the applicant and all property owners within 600 feet
      - Applicant posts the notice on the property
- Anyone may appeal
- Appeal heard by an Administrative Hearing Officer

# Pilot Program Proposed



Three-year pilot program

- Likely equate to two years of seasonal operations

Pilot = data gathering and analysis

- Vehicle trip to the retail farms
- Input from community members
- Feedback from operators

Allows the Board to assess if these should be permanent

# Community Input Embedded in Proposed Changes

CLO discretion for granting preliminary license approval, example analysis:

- Distance between proposed site and competing land uses
- Access from public roads
- Parking capacity
- View sheds

Public Notification and Appeal Process

# Community Input Embedded in Proposed Changes – Con't

Unlike other Cannabis Code – there is no administrative hearing procedures for code violations

- Violations of code are grounds for license revocation
- All potential code violations for illicit operations - are included in existing cannabis code chapters
- Prohibition of retail farms on private roads
  - Unless written consent of all landowners is included
  - Currently only one non-retail licensee on a private road

# Research Findings

Cannabis Tourism

# Cannabis Retail Farms

## Retail Farm one in Nevada County

- Permitted by Use Permit / restricted sales to Nevada County Grown and Manufactured

## Operator Feedback

- Customers are not dispensary customers
  - They come to learn and usually stay for extended time periods
- They think consumption is critical because:
  - Many people don't know how to use
  - Are apprehensive about edibles
  - Need ability to teach people how to roll joints, how to use a pipe
  - Educate on dosing in a safe environment
- They want the ability to serve food and beverages
  - Allow people to be more comfortable for longer visits
- They are a hub for local products – not just what they grow



# Cannabis Tours



Operated by non-cannabis companies

- Half day tours generally follow a formula
  - Farm tour
  - Retail site stop to buy cannabis
  - Consumption stop
  - Activity
- Full day follow the same formula plus
  - Food
  - Coffee
  - Winery / brewery

# Cannabis Tours – Continued

Cannabis plants are the star of the tours

- Tourist want to take photos in the plants
- Tourist want to understand why each farm and strain is unique
- Tourist need safe places to consume



# Cannabis Tours – Continued

## Cannabis Tours Vary

- From high tea and simple farm tours
- To high end multi-day tours
- Many options include wineries and breweries
- Prices range from \$100 to over \$1,000 for single day tour

## Retailers report tourist

- Spend more than an average consumer
- Buy more non-cannabis branded merchandise



# Retail Farm Economics

There is only one in the nation currently so data = limited

- Potential tourism driver
  - Benefits anticipated for hotels, restaurants, coffee shops, wineries, breweries
  - \$1 on cannabis tourism = \$2.80 into the local economy
- Cannabis tourism is turning into a “high touch curated experience”
  - Proposed changes fit the model of where cannabis tourism is and where its going

# Retail Farm Economics – Con't

## Cannabis Tourism Market Value

- \$17.1 Billion in 2021
- \$57.18 Billion in 2023
- Projected to reach \$444 Billion by 2030

## Our County has a rich cannabis history which includes

- People traveling here for cannabis
- A hub for strain development
- Scientific research dating back to the 1977
- One of the originators of the medical movement
- Origin of the skunk strains

# Farms and Lounges as an Economic Multiplier

Cannabis is a deciding factor in tourism choices for 22% of Americans (50% of millennials)

A key aspect of cannabis tourism is having safe spaces for people to consume

Lounges paired with farms tours are complimentary similar to wineries and wine bars in Napa and Tuscany



# Modesto Cannabis Tourism Destination

Modesto developed the MoTown CannaPass w/ immediate economic benefits



- Immediate 11% boost to local retailers
- Boost in overnight stays at local hotels
- App based program
- Includes the Do's and Don't of cannabis in Modesto
- Ride share and taxi information for visitors
- Part of the Visit Modesto website – highlights
  - Art scene, parks, recreational opportunities, ag industry, wineries

# Financial Impacts

Pursuit of cannabis retail farms

- Result in additional staff work
  - Processing license amendments
- License fees will need to be determined
- Potential boost to CBT particularly during our summer season
- Potential boost to TOT associated with cannabis tourism



# Questions on retail sales and consumption at farms?

Thank You

