

The City of Hanford
CALIFORNIA



City Council Meeting Agenda

October 19, 2021
7:00 PM – Regular Meeting
Council Chambers
400 N. Douty St.

Council Members will meet in-person in the Council Chambers. The meeting will also be lived streamed on the City's website: <http://livestream.hanford.city/>

5:30 PM CALL TO ORDER STUDY AND CLOSED SESSION:

ROLL CALL BY THE CITY CLERK:

PUBLIC COMMENT:

*Comments from the public are limited to items on the agenda (GC 54954.3a). A maximum of **three minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

STUDY SESSION:

Review of the Parks Resource Officer program and direction from Council on the future of the program

CLOSED SESSION FOR DISCUSSION OF THE FOLLOWING:

- A. CONFERENCE WITH LEGAL COUNSEL-REAL PROPERTY NEGOTIATIONS (GC 54956.8):

Property: 266 Gilkey Ln.

APN: 012-232-077 & 012-340-039

Agency Negotiators: Mario Cifuentez, Ty Mizote, and Brad Albert

Negotiating Party: Kings Rehabilitation Center

Property: The western portion of APN: 011-090-034
Agency Negotiators: Marion Cifuentez and Ty Mizote
Negotiating Party: Carvalho Construction

B. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (GC 54956.9(d)(4)):

One potential case.

CALL TO ORDER REGULAR SESSION:

ROLL CALL:

INVOCATION:

FLAG SALUTE:

CLOSED SESSION ACTION REPORT:

RECOGNITIONS/PROCLAMATIONS:

Introduction of New Police Officers

STAFF COMMUNICATIONS:

COUNCIL REPORTS/COMMENTS:

PUBLIC COMMENT:

*This is the time for citizens to comment on subject matters not on the agenda and that are within the jurisdiction of the Hanford City Council. This is also the public's opportunity to request an item from the Consent Calendar be pulled for discussion purposes or to comment on any item on the agenda. Comments related to Public Hearing items will be heard at the time the item is discussed. A maximum of **three minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

CONSENT CALENDAR:

Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

- A. **PROCEDURAL WAIVER:** Waive reading in full of resolutions and ordinances and approval and adoption of same by reading title the only.
- B. **Public Works:** Authorization to award contract to Kenneth Schmidt and Associates of Fresno CA, in the amount of \$68,390 for the Hydrogeologic Testing Phase of the FY 21/22 New Water Supply Wells Project.
- C. **Public Works:** Adoption Resolution 21-45-R, thereby approving and adopting the 2020 Water Shortage Contingency Plan (WSCP) for the City of Hanford.

- D. Public Works: Adoption of Resolution 21-46-R, thereby approving and adopting the 2020 Urban Water Management Plan for the City of Hanford.
- E. Police: Second Reading of Ordinance 21-06, Amending Chapter 5.56 (Commercial Cannabis Activity) of the Municipal Code, thereby Amending the operational structure of permits and other various amendments to be consistent with desired operational procedures.

8:00 PM PUBLIC HEARING:

Clerk: Conduct a Public Hearing to receive input from the community regarding the redrawing of City Council election district boundaries as required under the redistricting process

GENERAL BUSINESS:

- A. Parks and Community Services: Review and Approval of an annual Lease Agreement with Kings Rehab, for the Hanford Soccer Complex (Soc Com), at an annual cost of \$24,000, Appropriation of funding to cover the lease payment and annual maintenance expenses and Adoption of Resolution No. 21-47-R, Authorizing the submittal of an application for the Rural Recreation and Tourism grant for the acquisition and development of the Soc Com facility
- B. Police: Consideration of adoption of Resolution 21-44-R, to allow for an increase in the maximum number of Retail Storefront dispensaries for cannabis business permits.
- C. Council: Consideration of a recommendation from the Chamber Ad-Hoc Subcommittee to terminate the existing contract with the Chamber of Commerce, effective December 31, 2021.

COUNCIL FUTURE AGENDA ITEMS:

Council Future Agenda Items

Upcoming Important Dates:

November 2: Regular City Council Meeting
November 11: Veterans Day City offices closed
November 19: Regular City Council Meeting

ADJOURNMENT:

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available to public inspection in the City Clerk's Office located at 319 N. Douty Street, Hanford, California 93230, during normal business hours. Such agendas are also available at the city's website, www.cityofhanfordca.com subject to staff's ability to post the agenda before the meeting.

If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's office, 559-585-2515, 319 N. Douty Street, Hanford, California 93230, at least 2 days prior to the meeting {28 CFR 35.102.35.104 ADA Title II}



AGENDA STAFF REPORT

MEETING DATE: 10/19/2021	AGENDA SECTION: B
---------------------------------	--------------------------

SUBJECT:

Public Works: Authorization to award contract to Kenneth Schmidt and Associates of Fresno CA, in the amount of \$68,390 for the Hydrogeologic Testing Phase of the FY 21/22 New Water Supply Wells Project.

RECOMMENDATION:

That the City Council, by motion, award a contract to Kenneth Schmidt and Associates of Fresno CA for the Hydrogeologic Testing phase of the FY 21/22 New Water Supply Wells Project in the amount of \$68,390.00.

BACKGROUND:

This project funds the installation of two new deep water wells and associated pumping equipment to provide additional City water supply and service reliability. The City water system currently has 13 active water supply wells and one standby emergency well. The wells have a total production capacity of approximately 26 million gallons per day. As development occurs the need to provide additional water capacity and service reliability is necessary. This project would provide the necessary details to install two new deep wells as needed.

With Councils approval, the Hydrogeologic Testing Phase of the FY 21/22 New Water Supply Wells Project will start October 2021 in preparation for construction in 2022.

FISCAL IMPACT:

The FY 21/22 0391 Water Capital Budget provides \$1,989,500 for this project. A copy of the budget pages are attached for Council Review.

ATTACHMENTS:

Well 51 Fargo & BNSF Site Map
Well 52 Public Works Corp Yard Site Map
New Water Supply Well - Budget Page

REVISED PROPOSAL-003

Red circle is
proposed well /
test hole location.
25' to West

BNSF

15.B.a

Glacier Way Park

Project Name: Well 51

Site Address: Fargo & BNSF / Well 44

Project Contacts:

Jennifer Minear
Project Manager
559-585-2559

Bob Williams
Utility Supervisor
559-585-2560

Attachment: Well 51 Fargo & BNSF Site Map (PW: Award a Contract for

Packet Pg. 6

Park

Hanford BMX

Chinese Sam
Yup Cemetery

Red circle represents
the new test hole /
well location (N/E
Corner of PW Corp
Yard

Project Name: Well 52**Site Address:** 900 S. 10th Avenue, Hanford CA**Project Contacts:**

Jennifer Minear
Project Coordinator
559-585-2559

Bob Williams
Utilities Supervisor
559-585-2560

City of Hanford Public
Works Department

Hanford Soccer Complex

822633
823637

New Water Supply Well

Project Background:

This project funds the installation of a new deep water well and associated pumping equipment to provide additional City water supply and service reliability.

Existing Conditions:

The City water system currently has 13 active water supply wells and one standby emergency well. The wells have a total production capacity of approximately 26 million gallons per day.

Project Justification:

As development occurs the need to provide additional water capacity and service reliability is necessary. This project would provide funding to install a new deep well as needed.

Fiscal Implications:

Funding for the new water supply well will be allocated from Water Capital Reserves.

Project Budget Summary:

		5-Year Funding Allocation				
	Program or Project	2022	2023	2024	2025	2026
		Construction	Design	Construction	Design	Construction
Expenditure	Engineering		35,000		35,000	
	Consultant		95,000		95,000	
	Equipment	350,000		350,000		350,000
	Construction	1,400,000		1,400,000		1,400,000
	Contingency	140,000		140,000		140,000
	Department Overhead	99,500	5,030	10,000		10,000
	Total Expenditure	\$1,989,500	\$135,030	\$1,900,000	\$130,000	\$1,900,000
Revenue	Funding					
	0391 Water Capital	523,553	135,030	500,000	130,000	500,000
	0185 Water Impact Fees	1,465,947		1,400,000		1,400,000
	Total Funding	\$1,989,500	\$135,030	\$1,900,000	\$130,000	\$1,900,000

KENNETH D. SCHMIDT AND ASSOCIATES

GROUNDWATER QUALITY CONSULTANTS

600 WEST SHAW AVE., SUITE 250

FRESNO, CALIFORNIA 93704

TELEPHONE (559) 224-4412

September 27, 2021

Ms. Jennifer Minear
 City of Hanford-Engineering Division
 900 S. 10th Ave.
 Hanford, CA. 93230

Re: New City of Hanford Wells

Dear Jennifer:

Pursuant to your request, following is the revised scope of work and estimated costs for hydrogeologic services associated with development of two new supply wells. Pilot hole sampling would also be done at each site.

Technical Well Specifications

We would review the technical well specifications, including the well diagram and list of line items. Professional fees would be as follows:

<u>K.D. Schmidt Principal</u>	3.0 2.0 hours @ \$350/hr	\$1,050
-------------------------------	--------------------------	---------

Total professional fees would be \$1,050. Expenses would be as follows:

Copies, blueprint charges, & deliveries	\$60
Secretarial services (2.0 hours @ \$60/hr)	120
Subtotal:	\$180

Total professional fees and expenses for this phase would be \$1,230, or \$615 per well.

Address Questions of Bidders, Evaluate Bids, &
 Attend Pre-Construction Conference at Site

We would address questions of perspective bidders, evaluate the bids and provide comments, and attend a pre-construction meeting in Hanford. Professional fees would be as follows:

<u>K.D. Schmidt Principal</u>	8.0 hours @ \$350/hr	\$2,800
-------------------------------	----------------------	---------

Attachment: REVISED PROPOSAL-003 (PW: Award a Contract for Hydrogeological Services for Well 51 & 52)

KENNETH D. SCHMIDT AND ASSOCIATES

GROUNDWATER QUALITY CONSULTANTS

2

C. Lassotovitch Senior Hydrogeologist 3.0 hours
@ \$160/hr

480

Total professional fees would be \$3,280. Expenses would be as follows:

Mileage Fresno-Hanford (70 miles @ 0.60)	\$42
Copies & delivery charges	38
Secretarial services (1.0 hour @ \$60/hr)	60
Subtotal:	\$140

Total professional fees and expenses for this phase would be \$3,420, or \$1,710 per well.

Conductor Casing & Pilot Hole

We would travel to the well site, observe the conductor casing installation and cementing, observe the electric logging of the hole, log the drill cuttings, prepare a geologic log, collect samples of fine sands and arrange for sieve analyses, make field measurements, collect water samples from five depth intervals in the pilot hole, preserve the samples, hand deliver and ship the samples to appropriate laboratories, interpret the results, and prepare a letter report with recommendations for each well. Professional fees would be as follows:

<u>K.D. Schmidt Principal</u> 5.0 hours @ \$350/hr	\$1,750
<u>C. Lassotovitch Senior Hydrogeologist</u> 12.0 hours @ \$160/hr	1,920
<u>M. Scott Hydrogeologic Aide</u> 40.0 hours @ \$120/hr	4,800

Total professional fees would be \$8,470. Expenses would be as follows:

Mileage Fresno-Hanford (600 miles @ 0.60)	\$ 360
Copies & delivery charges	150
Ship drill cuttings & water samples	400
Chemical analyses	2,250
Secretarial services (5.0 hours @ \$60/hr)	300
Subtotal:	\$3,460

Total professional fees and expenses for this phase would be \$11,930 per well.

Supply Well Construction, Development, and Testing

We would travel to the well site, observe the casing installation, gravel placement, and installation of the annular seal.

Attachment: REVISED PROPOSAL-003 (PW: Award a Contract for Hydrogeological Services for Well 51 & 52)

KENNETH D. SCHMIDT AND ASSOCIATES
GROUNDWATER QUALITY CONSULTANTS

3

We would observe part of the rig and pump and surge development. We would determine when the well is developed and recommend pumping rates for the pump test. We would make drawdown and recovery measurements for the pump test and prepare graphical plots for the drawdown and recovery measurements. If possible, we would measure water levels periodically in one or more other City wells. We would collect water samples at the end of the pump test, preserve the samples, and hand deliver and ship the samples to appropriate laboratories. We would provide a letter report, recommending the optimal pump setting and pumping rate. We would observe the TV survey, and provide comments, as necessary. Professional fees would be as follows:

<u>K.D. Schmidt Principal</u> 4.0 hours @ \$350/hr	\$ 1,400
<u>J. Angell Associate Hydrogeologist</u> 50 hours @ \$170/hr	8,500
<u>C. Lassotovitch Senior Hydrogeologist</u> 10 hours @ \$160/hr	1,600
<u>M. Scott Hydrogeologic Aide</u> 60 hours @ \$120/hr	7,200

Total professional fees would be \$18,700. Expenses would be as follows:

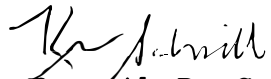
Mileage Fresno-Hanford (400 miles @ 0.60)	\$240
Mileage Bakersfield-Hanford (180 miles @ 0.60)	108
Per diem Hanford (5 @ \$150/day)	450
Copies & delivery charges	102
Shipping water samples	100
Secretarial services (4.0 hours @ \$60/hr)	240
Subtotal:	\$1,240

Total professional fees and expenses for this phase would be \$19,940 per well. The cost of chemical analyses is estimated to be \$3,500 per well, to be paid for directly by the City.

Summary

Total costs for hydrogeologic services for two wells would be \$1,230 + 3,420 + 23,860 + 39,880, or \$68,390. This is \$34,195 per well. Please call me if you have any questions.

Sincerely Yours,


Kenneth D. Schmidt

KDS/ms

Attachment: REVISED PROPOSAL-003 (PW: Award a Contract for Hydrogeological Services for Well 51 & 52)



AGENDA STAFF REPORT

MEETING DATE: 10/19/2021	AGENDA SECTION: C
---------------------------------	--------------------------

SUBJECT:

Public Works: Adoption Resolution 21-45-R, thereby approving and adopting the 2020 Water Shortage Contingency Plan (WSCP) for the City of Hanford.

RECOMMENDATION:

That the City Council, by motion, Adopt Resolution 21-45-R, thereby approving and adopting the 2020 Water Shortage Contingency Plan (WSCP).

BACKGROUND:

A public hearing was held on October 5, 2021. This public hearing was properly noticed and is required as part of the approval process to take public testimony on the plan update. A copy of the final draft report was provided for Public Review and the final WSCP was edited to address public comments.

In compliance with the State of California Urban Water Management Planning Act, the City's UWMP must be updated every five years ending in five and zero (2005, 2010, etc.). The City's 2015 UWMP was last updated and adopted by Council on June 21, 2016 and subsequently approved the State Department of Water Resources.

The City's Water Shortage Contingency Plan (WSCP) was included as part of the 2015 UWMP, which received letters of review and completeness from the Department of Water Resources. Subsequent amendments to the UWMPA require that the WSCP must be prepared and adopted separately from the UWMP.

The 2020 WSCP builds upon previous water shortage contingency planning efforts completed by the City and reflects updates to the City's water shortage levels and water conservation measures for consistency with state-wide requirements provided by the Department of Water Resources

The State has set July 1, 2021 as the deadline for updating and approving the 2020 WSCP. However, because the State did not issue final guidelines until March 2021, late submittals were expected.

FISCAL IMPACT:

Final adoption of the UWMP and WSCP does not have any direct impact on the City budget. Implimentation of the Demand Management Measures identified in the plan will be accomplished through operational means or become a part of a future Capital Improvement Program budget.

ATTACHMENTS:

Resolution adopting 2020 Water Shortage Contingency Plan
Proof of publication

RESOLUTION NO. 21-45-R

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD
APPROVING THE 2020 URBAN WATER MANAGEMENT PLAN

At a regular meeting of the City Council of the City of Hanford, duly called and held on October 19, 2021, it was moved by Council Member _____, and seconded by Council Member _____, and carried that the following resolution be adopted:

WHEREAS, The State of California Urban Water Management Planning Act, SB 797 and amendments thereto, requires the local agency to adopt and file with the State of California Department of Water Resources and updated Urban Water Management Plan every five years; after a noticed public hearing; and

WHEREAS, State regulations require that a stand-alone Water Shortage Contingency Plan be prepared in conjunction with the Urban Water Management Plan; and

WHEREAS, a public hearing notice for the Urban Water Management Plan and Water Shortage Contingency Plan was published in the local newspaper and the public hearing held on Tuesday, October 5, 2021; and

WHEREAS, Section 15282 (v) of the California Environmental Quality Act states that the preparation of Urban Water Management Plans is statutorily exempt.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hanford does hereby approve the attached 2020 Water Shortage Contingency Plan.

Passed and Adopted at a regular meeting of the City Council of the City of Hanford duly called and held on the 19th day of October, 2021, by the following vote:

AYES: _____ NOES: _____

ABSTAIN: _____ ABSENT: _____

Francisco Ramirez
MAYOR of the City of Hanford

Attachment: Resolution adopting 2020 Water Shortage Contingency Plan (PW: Adoption of 2020 Water Shortage Contingency Plan)

ATTEST: _____
Natalie Corral,
CITY CLERK and Clerk of the
 Council of the City of Hanford

STATE OF CALIFORNIA)
 COUNTY OF KINGS) ss
 CITY OF HANFORD)

I, NATALIE CORRAL, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted by the City Council of the City of Hanford at a regular meeting thereof held on the 19th day of October, 2021.

Dated: _____, 2021

NATALIE CORRAL,
CITY CLERK and Clerk of the
 Council of the City of Hanford

THE SENTINEL
P O BOX 9
HANFORD CA 93232
(559)582-0471
Fax (559)582-2431

ORDER CONFIRMATION

Salesperson: JUAN MORALES

Printed at 09/16/21 09:15 by jmora-bk

Acct #: 7650

Ad #: 46328

Status: New

CITY OF HANFORD - LEGALS
ACCOUNTS PAYABLE
315 N DOUTY ST
HANFORD CA 93230

Start: 09/17/2021 Stop: 09/28/2021
Times Ord: 2 Times Run: ***
3STD 2.00 X 4.73 Words: 367
Total 3STD 9.46
Class: H0986 LEGALS
Rate: LD Cost: 296.71
Affidavits: 1

Contact:

Phone: (559)585-2500

Fax#:

Email: billing@cityofhanfordca.com

Agency:

Ad Descrpt: AD# 46328 PUBLIC NOTICE N

Given by: *

P.O. #:

Created: jmora 09/15/21 08:07

Last Changed: jmora 09/16/21 09:15

PUB ZONE EDT TP RUN DATES
HSP A 95 S 09/17,25
HSO A 95 S 09/17,28

AUTHORIZATION

Under this agreement rates are subject to change with 30 days notice. In the event of a cancellation before schedule completion, I understand that the rate charged will be based upon the rate for the number of insertions used.

Name (print or type)

Name (signature)

(CONTINUED ON NEXT PAGE)

Attachment: Proof of publication (PW: Adoption of 2020 Water Shortage Contingency Plan)

THE SENTINEL
P O BOX 9
HANFORD CA 93232
(559)582-0471
Fax (559)582-2431

ORDER CONFIRMATION (CONTINUED)

Salesperson: JUAN MORALES

Printed at 09/16/21 09:15 by jmora-bk

Acct #: 7650

Ad #: 46328

Status: New

AD# 46328

Public Notice

Notice of Public Hearing

NOTICE IS HEREBY GIVEN that the City Council of the City of Hanford, California, will hold an informational session on October 5, 2021 at 5:00 p.m. followed by a Public Hearing on October 5, at 7:00 p.m. or as soon as possible thereafter, in the City of Council Chambers located at 400 Douty Street, Hanford, California to consider the following matter:

PUBLIC HEARING ON URBAN WATER MANAGEMENT PLAN & WATER SHORTAGE CONTINGENCY PLAN FOR 2020

The Hanford City Council will hold a Public Hearing to receive comments from the public on the final draft of the City of Hanford 2020 Urban Water Management Plan (UWMP) and 2020 Water Shortage Contingency Plan (WSCP). The City is preparing its 2020 UWMP to continue to provide adequate water supplies to meet existing and future water demands within City's Urban Growth Boundary. The 2020 UWMP updates the information in the existing 2015 UWMP and provides an overview of the City's efficient water uses, water supplies, and demand management measures. Additionally, the 2020 WSCP builds upon previous planning efforts and outlines the City's plan to address potential future water shortages. At the conclusion of receipt of comments by the public, the Public Hearing will be closed.

Written communications may be filed prior to the Public Hearing. Questions or comments regarding the plans should be emailed to jross@cityofhanfordca.com. The final draft plans are available for review at the City Clerks office at 319 N. Douty Street, Hanford CA, Monday through Friday between the hours of 8:00 a.m. and 4:00 p.m. Further detail may be obtained from the City of Hanford Public Works department at (559) 585-2550. The final draft plan can be viewed and downloaded at: <https://www.cityofhanfordca.com>

ADOPTION OF THE 2020 URBAN WATER MANAGEMENT PLAN and 2020 WATER SHORTAGE CONTINGENCY PLAN

At the regularly scheduled meeting of the Hanford City Council on October 19, 2021, the City Council will also consider adoption of a resolution approving the City of Hanford 2020 UWMP and 2020 WSCP and directing staff to submit the plan to the State Department of Water Resources.

BY ORDER OF THE CITY COUNCIL
OF THE CITY OF HANFORD.

Publish September 17, 25, 2021

Attachment: Proof of publication (PW: Adoption of 2020 Water Shortage Contingency Plan)



AGENDA STAFF REPORT

MEETING DATE: 10/19/2021	AGENDA SECTION: D
---------------------------------	--------------------------

SUBJECT:

Public Works: Adoption of Resolution 21-46-R, thereby approving and adopting the 2020 Urban Water Management Plan for the City of Hanford.

RECOMMENDATION:

That the City Council, by motion, adopt Resolution 21-46-R, thereby approving and adopting the 2020 Urban Water Management Plan (UWMP) for the City of Hanford.

BACKGROUND:

A properly noticed public hearing was conducted on October 5, 2021 and the UWMP was edited to address public comments from the hearing. During that public hearing, the public was made aware that staff would continue to accept comments from the public until the formal adoption of the Plan. No additional comments were received.

In compliance with the State of California Urban Water Management Planning Act, the City's UWMP must be updated every five years ending in five and zero (2005, 2010 , etc.). The City's 2015 UWMP was last updated and adopted by Council on June 21, 2016 and subsequently approved by the State Department of Water Resources. The purpose of the UWMP is to maintain efficient use of urban water supplies, continue to promote conservation programs and policies, ensure that sufficient water supplies are available for future beneficial use, and to provide a mechanism for response during water drought conditions. It also requires an evaluation of implementation measures to comply with AB 1420, which requires a 20% reduction of water use by the year 2020 to qualify for water management grants and loans.

The State has set July 1, 2021 as the deadline for updating and approving the 2020 UWMP; however, the State did not issue final guidelines until March 2021, delaying the process.

FISCAL IMPACT:

Final adoption of the UWMP does not have any direct impact on the budget. Implementation of the Demand Management Measures identified in the plan will be accomplished through operational means or become a part of a future Capital Improvement Program budget.

ATTACHMENTS:

Resolution adopting 2020 Urban Water Management Plan

Proof of publication

RESOLUTION NO. 21-46-R

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD
APPROVING THE 2020 URBAN WATER MANAGEMENT PLAN

At a regular meeting of the City Council of the City of Hanford, duly called and held on October 19, 2021, it was moved by Council Member _____, and seconded by Council Member _____, and carried that the following resolution be adopted:

WHEREAS, The State of California Urban Water Management Planning Act, SB 797 and amendments thereto, requires the local agency to adopt and file with the State of California Department of Water Resources and updated Urban Water Management Plan every five years; after a noticed public hearing; and

WHEREAS, a public hearing notice was published in the local newspaper and the public hearing held on Tuesday, October 5, 2021; and

WHEREAS, Section 15282 (v) of the California Environmental Quality Act states that the preparation of Urban Water Management Plans is statutorily exempt.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hanford does hereby approve the attached 2020 Urban Water Management Plan.

Passed and Adopted at a regular meeting of the City Council of the City of Hanford duly called and held on the 19th day of October, 2021, by the following vote:

AYES: _____ NOES: _____

ABSTAIN: _____ ABSENT: _____

Francisco Ramirez
MAYOR of the City of Hanford

ATTEST: _____
Natalie Corral,
CITY CLERK and Clerk of the
Council of the City of Hanford

Attachment: Resolution adopting 2020 Urban Water Management Plan (PW: Approval of 2020 Urban Water Management Plan)

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, NATALIE CORRAL, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted by the City Council of the City of Hanford at a regular meeting thereof held on the 19th day of October, 2021.

Dated: _____, 2021

NATALIE CORRAL,
CITY CLERK and Clerk of the
Council of the City of Hanford

THE SENTINEL
P O BOX 9
HANFORD CA 93232
(559)582-0471
Fax (559)582-2431

ORDER CONFIRMATION

Salesperson: JUAN MORALES

Printed at 09/16/21 09:15 by jmora-bk

Acct #: 7650

Ad #: 46328

Status: New

CITY OF HANFORD - LEGALS
ACCOUNTS PAYABLE
315 N DOUTY ST
HANFORD CA 93230

Start: 09/17/2021 Stop: 09/28/2021
Times Ord: 2 Times Run: ***
3STD 2.00 X 4.73 Words: 367
Total 3STD 9.46
Class: H0986 LEGALS
Rate: LD Cost: 296.71
Affidavits: 1

Contact:

Phone: (559)585-2500

Fax#:

Email: billing@cityofhanfordca.com

Agency:

Ad Descrpt: AD# 46328 PUBLIC NOTICE N

Given by: *

P.O. #:

Created: jmora 09/15/21 08:07

Last Changed: jmora 09/16/21 09:15

PUB ZONE EDT TP RUN DATES
HSP A 95 S 09/17,25
HSO A 95 S 09/17,28

AUTHORIZATION

Under this agreement rates are subject to change with 30 days notice. In the event of a cancellation before schedule completion, I understand that the rate charged will be based upon the rate for the number of insertions used.

Name (print or type)

Name (signature)

(CONTINUED ON NEXT PAGE)

Attachment: Proof of publication (PW: Approval of 2020 Urban Water Management Plan)

THE SENTINEL
P O BOX 9
HANFORD CA 93232
(559)582-0471
Fax (559)582-2431

ORDER CONFIRMATION (CONTINUED)

Salesperson: JUAN MORALES

Printed at 09/16/21 09:15 by jmora-bk

Acct #: 7650

Ad #: 46328

Status: New

AD# 46328

Public Notice

Notice of Public Hearing

NOTICE IS HEREBY GIVEN that the City Council of the City of Hanford, California, will hold an informational session on October 5, 2021 at 5:00 p.m. followed by a Public Hearing on October 5, at 7:00 p.m. or as soon as possible thereafter, in the City of Council Chambers located at 400 Douty Street, Hanford, California to consider the following matter:

PUBLIC HEARING ON URBAN WATER MANAGEMENT PLAN & WATER SHORTAGE CONTINGENCY PLAN FOR 2020

The Hanford City Council will hold a Public Hearing to receive comments from the public on the final draft of the City of Hanford 2020 Urban Water Management Plan (UWMP) and 2020 Water Shortage Contingency Plan (WSCP). The City is preparing its 2020 UWMP to continue to provide adequate water supplies to meet existing and future water demands within City's Urban Growth Boundary. The 2020 UWMP updates the information in the existing 2015 UWMP and provides an overview of the City's efficient water uses, water supplies, and demand management measures. Additionally, the 2020 WSCP builds upon previous planning efforts and outlines the City's plan to address potential future water shortages. At the conclusion of receipt of comments by the public, the Public Hearing will be closed.

Written communications may be filed prior to the Public Hearing. Questions or comments regarding the plans should be emailed to jross@cityofhanfordca.com. The final draft plans are available for review at the City Clerks office at 319 N. Douty Street, Hanford CA, Monday through Friday between the hours of 8:00 a.m. and 4:00 p.m. Further detail may be obtained from the City of Hanford Public Works department at (559) 585-2550. The final draft plan can be viewed and downloaded at: <https://www.cityofhanfordca.com>

ADOPTION OF THE 2020 URBAN WATER MANAGEMENT PLAN and 2020 WATER SHORTAGE CONTINGENCY PLAN

At the regularly scheduled meeting of the Hanford City Council on October 19, 2021, the City Council will also consider adoption of a resolution approving the City of Hanford 2020 UWMP and 2020 WSCP and directing staff to submit the plan to the State Department of Water Resources.

BY ORDER OF THE CITY COUNCIL
OF THE CITY OF HANFORD.

Publish September 17, 25, 2021

Attachment: Proof of publication (PW: Approval of 2020 Urban Water Management Plan)



AGENDA STAFF REPORT

MEETING DATE: 10/19/2021

AGENDA SECTION: E

SUBJECT:

Police: Second Reading of Ordinance 21-06, Amending Chapter 5.56 (Commercial Cannabis Activity) of the Municipal Code, thereby Amending the operational structure of permits and other various amendments to be consistent with desired operational procedures.

RECOMMENDATION:

That the City Council, by motion, approve the second reading of Ordinance No. 21-06 and adopt the ordinance.

BACKGROUND:

As City staff has gone through the permitting process for cannabis dispensaries multiple times now, staff has come to recognize that the processes need to be amended to make the process less confusing for the Council, City staff and of course, the prospective permittees. Staff worked with the City Attorney's office to develop the proposed amendments, which will do the following:

1. Eliminates a specific permitting period and instead, allows applications to be submitted on an on-going basis. The majority of permits that are issued by the City, at the direction of Council, are unlimited and have no specific application period. It is therefore not necessary to have a competitive process with an open and closing date. Moving forward, each applicant that scores high enough will be recommended for a permit.
2. Applicants will be awarded a permit by the City, through positions designated by the City Manager to handle the process based upon the established ranking and review process.
3. Allows for additional discretion on the part of the City to have an applicants application corrected instead of just rejected.
4. Appeals of awards at the Staff level, once requested by the applicant, will be heard before the City Council or their designee.
5. The application process will be established by city staff and not by resolution.
6. Added an additional 10 days to 20 days notice provided to surrounding property owners.
7. Bans the awarded permittee from selling their license to another entity without going through the same application process.

Staff believes that these changes will allow city staff to respond quicker to requests by Council and applicants. One attachment is a redline of the changes and the other is the clean document with the changes incorporated. All changes have been reviewed and/or recommended by the City Attorney's office to make process easier for applicants to progress through. Additionally, by allowing the City Manager's position to designate responsible positions within the process, it will allow for future changes and growth without a need to amend the Ordinance.

FISCAL IMPACT:

ATTACHMENTS:

Ordinance 21-06

2021 Cannabis Revisions - Final

Reso 19-45-R

Ordinance Cannabis 8.5.2021 (redline) (002)

ORDINANCE NO. 21-06**AN ORDINANCE AMENDING HANFORD MUNICIPAL CODE CHAPTERS 5.56
RELATING TO COMMERCIAL CANNABIS ACTIVITY WITHIN THE CITY OF
HANFORD CITY LIMITS**

The City Council of the City of Hanford does ordain as follows:

Section 1: Hanford Municipal Code Chapter 5.56 contains regulations relating to the authority to approve and regulate Commercial Cannabis.

Section 2: The regulations contained in Chapter 5.56 were adopted many years ago, and the Council has determined that the chapters need updates for the effective oversight and approval of perspective applicants for Commercial Cannabis.

Section 3: The City Council of the City of Hanford does ordain that Chapter 5.56 of the Hanford Municipal Code is hereby amended and restated as shown in the attached Exhibit "A", which is incorporated herein by reference.

Section 4: This ordinance shall take effect thirty (30) days after its passage and shall be published once in the Hanford Sentinel within fifteen (15) days after its passage or a summary of this ordinance shall be published in the Hanford Sentinel in a manner consistent with the requirements of the California Government Code.

Passed and adopted at a regular meeting of the City Council of the City of Hanford duly called and held on _____, 2021, by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

APPROVED

Francisco Ramirez
MAYOR of the City of Hanford

ATTEST:

NATALIE CORRAL
CITY CLERK

Attachment: Ordinance 21-06 (PD: Cannabis Ordinance Amendment 21-06)

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I NATALIE CORRAL, City Clerk of the City of Hanford, do hereby certify the foregoing ordinance was duly introduced at a regular meeting of the City Council of the City of Hanford on the 5th day of October, 2021, and it was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the day ____ of _____, 2021.

NATALIE CORRAL
CITY CLERK

Exhibit “A”

Chapter 5.56 COMMERCIAL CANNABIS ACTIVITY.

5.56.010 Purpose and intent.

It is the purpose and intent of this chapter to accommodate the needs of medically-ill persons in need of cannabis for medical purposes, as advised and recommended by their health care provider(s), and to implement the Adult Use Cannabis Act which was passed by the voters of California while imposing regulations on the use of land to protect the city's neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this chapter to regulate the cultivation, manufacturing, processing, testing, transporting, delivery, and distribution of cannabis and cannabis-related products in a manner which is responsible, which protects the health, safety, and welfare of the residents of Hanford, and to enforce rules and regulations consistent with state law. In part to meet these objectives, an annual permit shall be required to own and/or to operate a commercial cannabis business within Hanford. Nothing in this chapter is intended to authorize the possession, use, or provision of cannabis for purposes which violate state or federal law. The provisions of this chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the city, and are in addition to any permits, licenses and approval required under state, county, or other law.

5.56.020 Legal authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, and the provisions of the Medical Cannabis Regulation and Safety Act (hereinafter "MCRSA"), and the Adult Use Cannabis Act (hereinafter "AUMA") the city of Hanford is authorized to adopt ordinances that establish standards, requirements and regulations for local licenses and permits for cannabis and cannabis-related activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the state of California, or any of its departments or divisions, shall be the minimum standards applicable in the city of Hanford to cannabis, and/or cannabis-related activity.

5.56.030 Cannabis cultivation and commercial cannabis business activities prohibited unless specifically authorized by this chapter.

Except as specifically authorized in this chapter, the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, dispensing, distribution, delivery, or sale of cannabis or cannabis product is expressly prohibited in the City of Hanford.

5.56.040 Compliance with state and local laws.

It is the responsibility of the owners and operators of the commercial cannabis business to ensure that it is, always, operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this chapter shall be construed as authorizing any actions which violate federal, state law or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and the 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 federal, state and local laws, the 2008 Attorney General Guidelines, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the commercial

cannabis business permit. Nothing in this chapter shall be construed as authorizing any actions which violate federal or state law regarding the operation of a commercial cannabis business.

5.56.050 Definitions.

When used in this chapter, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder, and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

“Bureau” means the Bureau of Cannabis Control within the California Department of Consumer Affairs.

“Cannabis” refers to “marijuana,” and means all parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether medical or nonmedical, 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” also means marijuana as defined by Section 11018 of the California [Health and Safety Code](#) as enacted by Chapter 14017 of the Statutes of 1972. “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 chapter, “cannabis” does not mean industrial hemp as that term is defined by Section 81000 of the California [Food and Agricultural Code](#) or Section 11018.5 of the California [Health and Safety Code](#).

“Cannabis business park” means a park or campus that is one contiguous commercial area of land which has many cannabis related businesses grouped together. Each individual business is clearly defined, having a unique entrance and immovable physical barriers between uniquely licensed premises.

“Cannabis concentrate” means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product’s potency.

“Cannabis product” means a product containing cannabis, including, but not limited to, manufactured cannabis intended to be sold for use by cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California [Health and Safety Code](#) (as the same may be amended from time to time) or pursuant to the Adult Use of Marijuana Act. For purposes of this chapter, “medical cannabis” does not include industrial hemp as defined by Section 81000 of the California [Food and Agricultural Code](#) or Section 11018.5 of the California [Health and Safety Code](#).

“Canopy” means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site.

“Caregiver” or “primary caregiver” has the same meaning as that term is defined in Section 11362.7 of the California [Health and Safety Code](#).

“City” or “city of Hanford” means the city of Hanford, a California general law city.

“Commercial cannabis activity” includes cultivation, manufacture, processing, laboratory testing, transporting, delivery, distribution, or sale of cannabis product, within the meaning of California [Business and Professions Code](#) Section 26001 and California [Business and Professions Code](#) Section 26050, et seq.

“Commercial cannabis business” means any business or operation which engages in cannabis activity.

“Commercial cannabis business permit” means a regulatory permit issued by the city of Hanford pursuant to this chapter to a commercial cannabis business, and is required before any commercial cannabis activity may be conducted in the city. The initial permit and annual renewal of a commercial cannabis business permit is made expressly contingent upon the business’ ongoing compliance with all of the requirements of this chapter and any regulations adopted by the city governing the commercial cannabis activity at issue.

“Cultivation” means any activity, whether occurring indoors or outdoors, involving the propagation, planting, growing, harvesting, drying, curing, grading, and/or trimming of cannabis plants or any part thereof for any purpose, including cannabis.

“Cultivation site” means a facility where cannabis is cultivated, propagated, planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, and where the operator holds a valid commercial cannabis business permit for cultivation from the city of Hanford and a valid state license to cultivate cannabis as required by state law.

“Delivery” means the commercial transfer of cannabis or cannabis products from a dispensary, up to an amount determined to be authorized by the state of California, or any of its departments or divisions, to anyone for any purpose. “Delivery” also includes the use by a dispensary of any technology platform owned, controlled, and/or licensed by the dispensary, or independently licensed by the state of California under the MCRSA or AUMA (as the same may be amended from time-to-time), that enables anyone to arrange for or facilitate the commercial transfer by a licensed dispensary of cannabis or cannabis products.

“Dispensary” means a commercial cannabis business facility 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 (whether fixed or mobile) 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 Hanford authorizing the operation of a dispensary, and a valid state license as required by state law to operate a dispensary.

“Dispensing” means any activity involving the retail sale of cannabis or cannabis products from a dispensary.

“Distribution” means the wholesale procurement, and sale, of cannabis or cannabis products between entities licensed pursuant to MCRSA, AUMA and any subsequent state of California legislation regarding the same.

“Distributor” means a person holding a valid commercial cannabis business permit for distribution issued by the city of Hanford, and, a valid state license for distribution, required by state law to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed dispensary.

“Dried flower” means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

“Edible cannabis product” means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California [Health and Safety Code](#) or a drug as defined by Section 109925 of the

California [Health and Safety Code](#). An edible cannabis product shall not be deemed to be adulterated pursuant to Section 19347.6 of the [Business and Professions Code](#) solely because it contains cannabis.

“Greenhouse” means a fully enclosed permanent structure that is clad in transparent material with climate control, such as heating and ventilation capabilities and supplemental artificial lighting, and that uses a combination of natural and supplemental lighting for cultivation.

“Live plants” means living cannabis flowers and plants, including seeds, sprouts, immature plants (including unrooted clones), and vegetative stage plants.

“Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.

“Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of manufactured cannabis, as defined in this section, or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container, where the operator holds a valid commercial cannabis business permit for manufacturing from the city of Hanford and, after January 1, 2018 or as soon as permitted by the state granting agency, department or division, a valid state license for manufacturing pursuant to MCRSA and/or AUMA. A manufacturer may also be a person that infuses cannabis in its products but does not perform its own extraction.

“Manufacturing site” means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid commercial cannabis business permit for manufacturing from the city of Hanford and, a valid state license as required for manufacturing of cannabis products.

“Microbusiness” shall have the same meaning as that contained in Section 26070(a)(3) of the Business and Professions Code of the State of California.

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

“Patient” or “qualified patient” shall have the same definition as California [Health and Safety Code](#) Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California [Health and Safety Code](#) Section 11362.5.

“Person” means an 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 includes the plural as well as the singular number.

“Person with an identification card” shall have the meaning given that term by California [Health and Safety Code](#) Section 11362.7.

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

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

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

1. Accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state.

2. Licensed by the Bureau of Cannabis Control, and is owned and operated by a person issued a valid commercial ~~medical~~ cannabis business permit for laboratory testing from the city of Hanford.

“Transport” means the transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized by the MCRSA and/or AUMA.

“Transporter” means a person issued a state license, and a commercial cannabis business permit by the city of Hanford, authorizing the transport of cannabis or cannabis products in amounts authorized by the state of California, or by one of its departments or divisions under the MCRSA and/or AUMA.

5.56.060 Commercial cannabis business permit required to engage in commercial cannabis business.

A. No person may engage in any commercial cannabis business or activity within the city of Hanford including cultivation, manufacture, processing, laboratory testing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the person: (1) has a valid commercial cannabis business permit from the city of Hanford; and (2) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis business or activities, including the duty to obtain any required state licenses.

B. Until **Health and Safety Code** Section 11362.775, subdivision (a), is repealed, the city intends that person’s eligible to operate collectives or cooperatives under that subdivision shall be eligible to apply for a city permit to conduct commercial cannabis activities, but only to the degree those activities are authorized under state law for collectives and cooperatives. When the **Health and Safety Code** Section 11362.775, subdivision (a), is repealed, or as soon as collectives and cooperatives are no longer permitted to engage in commercial cannabis activity under state law, any city permit holder operating a commercial cannabis business under a collective or cooperative who has not already obtained a state license for the commercial cannabis activities they are engaged in shall automatically forfeit his or her city commercial cannabis business permit. At that point, they shall no longer be authorized to engage in any commercial cannabis activities in the city until they obtain both a city issued commercial cannabis business permit and a state license for that commercial cannabis activity.

5.56.070 Cannabis employee permit required.

A. Any person who is an employee or who otherwise works or volunteers within a commercial cannabis business must be legally authorized to do so under applicable state law. Employees, workers, or volunteers at businesses that are permitted by the city of Hanford as cannabis business cultivators, manufacturers, distributors, or delivers that are operating pursuant to **Health and Safety Code** Section 11362.775(a) as collectives or cooperatives until that subsection is repealed must be qualified patients or primary caregivers as required by state law.

B. Any person who is an employee or who otherwise works or volunteers within a commercial cannabis business must obtain a commercial cannabis employee work permit from the city prior to performing any work at any commercial cannabis business.

C. Applications for a commercial cannabis employee work permit shall be developed and made available by the City Manager or his/her designee(s), and shall include, but not be limited to, the following information:

1. Name, address, and phone number of the applicant;
2. Age and verification of applicant. A copy of a birth certificate, driver's license, government issued identification card, passport or other proof that the applicant is at least twenty-one (21) years of age must be submitted with the application;
3. Name, address of the commercial cannabis businesses where the person will be employed, and the name of the primary manager of that business;
4. A list of any crimes enumerated in California [Business and Professions Code](#) Section 26507(b)(4) for which the applicant has been convicted;
5. Name, address, and contact person for any previous employers from which the applicant was fired, resigned, or asked to leave and the reasons for such dismissal or firing;
6. The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the Chief of Police or his/her designee(s);
7. A signed statement under penalty of perjury that the information provided is true and correct;
8. If applicable, verification that the applicant is a qualified patient or primary caregiver;
9. A fee paid in an amount set by resolution of the City Council in an amount necessary to cover the costs of administering the employee work permit programs. The fee is non-refundable and shall not be returned in the event the work permit is denied or revoked.

D. The Chief of Police or his/her designee(s) shall conduct a background check to determine whether the applicant was convicted of a crime or left a previous employer for reasons that show the applicant:

1. Has been convicted of a crime involving dishonesty, fraud or deceit, including but not limited to fraud, forgery, theft, or embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, respectively; or equivalent offenses in other states.
2. Has committed a felony or misdemeanor involving fraud, deceit, embezzlement; or
3. Was convicted of a violent felony, a crime of moral turpitude; or
4. The illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

Discovery of these facts showing that the applicant has been convicted of a crime involving dishonesty, fraud or deceit are grounds for denial of the permit. Where the applicant's sentence (including any term of probation, incarceration, or supervised release) for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is completed, such underlying conviction shall not be the sole ground for denial of a commercial cannabis work permit. Furthermore, an applicant shall not be denied a permit if the denial is based solely on any of the following: (i) a conviction for any crime listed in subsection (D)(4) for which the applicant has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the California [Penal Code](#); or (ii) a conviction that was subsequently dismissed pursuant to Section 1203.4, 1203.4a, or

1203.41 of the California Penal Code or any other provision of state law allowing for dismissal of a conviction.

E. The City Manager or his/her designee(s) shall issue the commercial cannabis work permit or a written denial to the applicant within ninety (90) days of the date the application was deemed complete. Upon the request of a commercial cannabis business and while processing the application for a work permit, the City Manager or his/her designee(s) may issue a temporary work permit for an employee if the business demonstrates to the City Manager or his/her designee(s) that the employee is necessary for the operation of the business. The temporary permit may be immediately revoked by the City Manager or his/her designee(s) upon determination that the applicant has failed the background check.

F. A work permit shall be valid for a twelve (12) month period and must be renewed on an annual basis. Renewal applications shall contain all the information required in subsection B including the payment of a renewal application fee in an amount to be set by resolution of the City Council.

G. In the event a person changes employment from one commercial cannabis business in the city to another, the work permit holder shall notify the City Manager or his/her designee(s) in writing of the change within ten (10) days, or the work permit shall be suspended or revoked and such person shall not be permitted to work at any commercial cannabis business in the city.

H. The city may immediately revoke the commercial cannabis work permit should the permit holder be convicted of a crime listed in subsections C and D or if facts become known to the chief of police or designee(s) that the permit holder has engaged in activities showing that he or she is dishonest.

I. The City Manager or his/her designee(s) is hereby authorized to promulgate all regulations necessary to implement the work permit process and requirements.

J. The applicant may appeal the denial or revocation of a commercial cannabis work permit by filing a notice of appeal with the City Clerk within ten (10) days of the date the applicant received the notice of denial, which appeal shall be conducted as set forth in Section 5.56.140 of this chapter.

K. The City Manager or his/her designee(s) shall issue a permit in the form of a personal identification card that can be worn by the employee. The personal identification card shall be worn approximately chest-high on their outermost garment, in a prominent and visible location. The identification card shall be maintained in good and readable condition at all times.

5.56.080 Maximum number and type of authorized commercial cannabis businesses permitted.

The number of each type of commercial cannabis business that shall be permitted to operate in the city shall be established by resolution of the City Council.

A. This section is only intended to create a maximum number of commercial cannabis businesses that may be issued permits to operate in the city under each category. Nothing in this chapter creates a mandate that the City issue any or all of the commercial cannabis business permits if it is determined that the applicants do not meet the standards which are established in the application requirements or further amendments to the application process.

B. At any time, in the City Council's discretion, the City Council may reassess the number of commercial cannabis business permits which are authorized for issuance. The City Council, in its discretion, may determine by resolution that the number of commercial cannabis permits should stay the same, or be expanded.

5.56.090 Initial application procedure.

A. The City Council shall adopt by resolution the procedures which will govern the application process, and the manner in which the decision will ultimately be made regarding the issuance of any commercial cannabis business permit(s). The City Manager or his/her designee(s) is hereby authorized to prepare the necessary forms, adopt any necessary rules to the application, regulations and processes, solicit applications, conduct initial evaluations of the applicants, and to ultimately select the applicant(s) that will be awarded a permit.

B. At the time of filing, each applicant shall pay an application fee established by resolution of the City Council, to cover all costs incurred by the city in the application process.

C. After the initial review, the City Manager or his/her designee(s) will select the applicant(s) to be awarded a permit based upon the available permits and the ranking of the applicants during the review process.

D. The City's Reservation of Rights. The city reserves the right to reject any or all applications. The city may also modify, postpone, or cancel any request for applications, or the entire program under this title, at any time without liability, obligation, or commitment to any party, firm, or organization. Persons submitting applications assume the risk that all or any part of the 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 any other justification provided, a failure to comply with other requirements in this chapter, an application risks being rejected for any of the following reasons:

1. Proposal received after designated time and date.
2. Proposal not containing the required elements, exhibits, nor organized in the required format.
3. Proposal considered not fully responsive to this request for permit application.
4. Proposal contains excess or extraneous material not called for in the request for permit application.

5.56.100 Expiration of commercial cannabis business permits.

Each commercial cannabis business permit issued pursuant to this chapter shall expire twelve (12) months after the date of its issuance. Commercial cannabis permits may be renewed as provided in Section 5.56.120.

5.56.110 Revocation of permits.

Commercial cannabis business permits may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to this chapter.

5.56.120 Renewal applications.

A. An application for renewal of a commercial cannabis business permit shall be filed at least Thirty (30) calendar days prior to the expiration date of the current permit.

- B. The renewal application shall contain all the information required for new applications.
- C. The applicant shall pay a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the city to administer the program created under this chapter.
- D. An application for renewal of a commercial cannabis business permit may be rejected if any of the following exists:
1. The application is filed less than thirty (30) days before its expiration.
 2. The commercial cannabis business permit is suspended or revoked at the time of the application.
 3. The commercial cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
 4. The commercial cannabis business has failed to conform to the requirements of this chapter, or of any regulations adopted pursuant to this chapter.
 5. The permittee fails or is unable to renew its state of California license.
 6. If the city or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this chapter, of the city's municipal code, or of the state rules and regulations, and the city or state has determined that the violation is grounds for termination or revocation of the commercial cannabis business permit.
- E. The City Manager or his/her designee(s) is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager or his/her designee(s) is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the City Manager or his/her designee(s) shall be handled pursuant to Section 5.56.140.
- F. If a renewal application is rejected, a person may file a new application pursuant to this chapter no sooner than one year from the date of the rejection. An application may be approved, conditionally approved, or rejected at the discretion of the City Manager or his/her designee(s). Any correction required for a conditionally approved application must be done in a timely manner as set forth by the City Manager or his/her designee(s).

5.56.130 Effect of state license suspension, revocation, or termination.

Suspension of a license issued by the state of California, or by any of its departments or divisions, shall immediately suspend the ability of a commercial cannabis business to operate within the city, until the state of California, or its respective department or division, reinstates or reissues the state license. Should the state of California, or any of its departments or divisions, revoke or terminate the license of a commercial cannabis business, such revocation or termination shall also revoke or terminate the ability of a commercial cannabis business to operate within the City of Hanford.

5.56.140 Appeals.

Unless specifically provided elsewhere to the contrary, an appeal of a City decision or action occurring under this chapter City Manager or his/her designee(s) shall be conducted as prescribed hereinafter.

5.56.150 Written request for appeal.

A. Within ten (10) calendar days after the date of a decision or action of the City Manager or his/her designee(s) occurring pursuant to this chapter, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper. The failure to file a timely appeal shall constitute the failure to exhaust administrative remedies.

B. At the time of filing the appellant shall pay the designated appeal fee, established by resolution of the City Council from time to time.

5.56.160 Appeal hearing process.

A. Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council or its designee. The City Council or its designee shall hear the matter de novo.

B. The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than ninety (90) days from the date of such filing. The city shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.

C. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.

D. The failure of an appealing party to appear at the appeal hearing shall constitute a failure to exhaust his/her/its/their administrative remedies.

E. At the conclusion of the hearing the City Council or its designee may affirm, reverse or modify the decision appealed. The decision of the City Council or its designee shall be final.

F. Following the appeal hearing, an aggrieved party may seek judicial review of the City Council or its designee's appeal decision by filing a complaint with the Superior Court of Kings County, California during the period identified by California Code of Civil Procedure Section 1094.6, as may be amended.

5.56.170 Permittee selection process.

A. The City Manager or his/her designee(s) shall develop procedures and review criteria by which the applicants for a commercial cannabis business permit shall be evaluated.

B. Applications shall be vetted by the City Manager or his/her designee(s) and a committee of his/her choice or his/her designee's choice. At the conclusion of the vetting process, the committee shall prepare a report ranking the applications and submit that report for consideration to the City Manager or his/her designee(s). The recommendations shall include a summary of the concerns which need to be mitigated by the applicant prior to the issuance of the permit.

C. At least twenty (20) days prior to the selection of the applicants, notice shall be sent to all property owners located within five hundred (500) feet of the proposed business locations of each of the finalists to be considered.

D. The City Manager or his/her designee(s) shall either deny or approve the final candidates. The decision of the City Manager or his/her designee(s) shall be subject to appeal in accordance with the appeal provisions of this chapter.

E. Official issuance of the commercial cannabis business permit(s), however, is conditioned upon the prevailing candidate(s) obtaining all required land use approvals. Following the selection, the prevailing candidate(s) shall apply to the city's Community Development department to obtain any required land use approvals or entitlements for the permittee's location, if any. Land use approvals shall include compliance with all applicable provisions of CEQA. The City Manager or his/her designee(s) shall formally issue the commercial cannabis business permit(s) once it has been affirmed that all of the required land use approvals have been obtained.

F. Issuance of a commercial cannabis business permit does not create a land use entitlement. The commercial cannabis business permit shall only be for a term of twelve (12) months, and shall expire at the end of the twelve (12) month period unless it is renewed as provided herein. Furthermore, no permittee may begin operations, notwithstanding the issuance of a permit, unless all of the state and local laws and regulations, including, but not limited to, the requirements of this chapter and of the permit, have been complied with.

G. Notwithstanding anything in this chapter to the contrary, the City reserves the right to reject any or all applications if it determines it would be in the best interest of the city, taking into account any health, safety and welfare impacts on the community. Applicants shall have no right to a commercial cannabis business permit until a permit is actually issued, and then only for the duration of the permits term. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the City Council may terminate or delay the program created under this chapter.

H. If an application is denied, a new application may not be filed for one year from the date of the denial.

I. Each applicant granted a commercial cannabis business permit shall be required to pay the permit fee established by resolution of the City Council, to cover the costs of administering the commercial cannabis business permit program created in this chapter.

5.56.180 Change in location—Updated registration form.

A. Any time the dispensing, cultivation, manufacturing, transportation and distribution location specified in the regulatory permit is changed, the applicant shall re-register with the City Manager or his/her designee(s). The process and the fees for re-registration shall be the same as the process and fees set forth for registration in Sections 5.56.090 and 5.56.120.

B. Within fifteen (15) calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of this chapter, including any change in the commercial cannabis business ownership or management members, the applicant shall file an updated registration form with the City Manager or his/her designee(s) for review along with a registration amendment fee, as set forth in Sections 5.56.090 and 5.56.120.

5.56.185 Sale and assignment of license.

No commercial cannabis business permit may be sold, assigned, or otherwise transferred without the approval of the City Manager or his/her designee(s). As a condition of approval, the proposed purchaser, assignee, or transferee of a commercial cannabis business permit shall undergo the application and approval process described in Section 5.56.090 above.

5.56.190 City business license.

Prior to commencing operations, a commercial cannabis business shall obtain a city of Hanford business license.

5.56.200 Building permits and inspection.

Prior to commencing operations, a commercial cannabis business 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, health department approvals and other zoning and land use permit(s) and approvals.

5.56.210 Certification from the City Manager or his/her designee(s).

Prior to commencing operations, a commercial cannabis business must obtain a certification from the City Manager or his/her designee(s) certifying that the business is located on a site that meets all of the requirements of Title 17 of the city's municipal code.

5.56.220 Right to occupy and to use property.

As a condition precedent to the city's issuance of a commercial cannabis business permit pursuant to this chapter, any person intending to open and to operate a commercial cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from another person, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this chapter and consents to the operation of the commercial cannabis business on the owner's property.

5.56.230 Limitations on City's liability.

To the fullest extent permitted by law, the City of Hanford shall not assume any liability whatsoever with respect to having issued a commercial cannabis business permit pursuant to this chapter or otherwise approving the operation of any commercial cannabis business. As a condition to the approval of any commercial cannabis business permit, the applicant shall be required to meet all of the following conditions before they can receive the commercial cannabis business permit:

A. They must execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City of Hanford, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of

the commercial cannabis business permit, the City's decision to approve the operation of the commercial cannabis business or activity, the process used by the city in making its decision, or the alleged violation of any federal, state or local laws by the commercial cannabis business or any of its officers, employees or agents.

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

C. Reimburse the City of Hanford for all costs and expenses, including, but not limited to, attorney fees and costs and court costs, which the city of Hanford may be required to pay as a result of any legal challenge related to the city's approval of the applicant's commercial cannabis business permit, or related to the city's approval of a commercial cannabis activity. The City of Hanford may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

5.56.240 Records and recordkeeping.

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

B. Each owner and operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in 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 City Manager or his/her designee(s) upon a reasonable request.

C. Each commercial cannabis business shall maintain a record of all persons, patients, collectives and primary caregivers served by the commercial cannabis business, for a period of no less than four (4) years.

D. All commercial cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until purchase by or distribution to a qualified patient, primary caregiver for purpose or an adult twenty-one (21) years of age or older who qualifies to purchase cannabis as set forth in AUMA.

E. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA) regulations, each commercial cannabis business shall allow city of Hanford officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination.

Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the city's request, unless otherwise stipulated by the city. The city may require the materials to be submitted in an electronic format that is compatible with the city's software and hardware.

5.56.250 Security measures.

A. A permitted commercial cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the commercial cannabis business. Except as may otherwise be determined by the chief of police or designee(s), these security measures shall include, but shall not be limited to, all of the following:

1. Preventing 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.

2. Establishing limited access areas accessible only to authorized commercial cannabis business personnel.

3. Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants which are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss,

4. Installing twenty-four (24) hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the commercial cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. The commercial cannabis business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Hanford Police Department, and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the Hanford Police Department. Video recordings shall be maintained for a minimum of forty-five (45) days, and shall be made available to the Hanford Police Department upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the commercial cannabis business.

5. Sensors shall be installed to detect entry and exit from all secure areas.

6. Panic buttons shall be installed in all commercial cannabis businesses.

7. Having a professionally installed, maintained, and monitored alarm system.

8. Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building.

9. Security personnel shall be on-site twenty-four (24) hours a day or alternative security as authorized by the Chief of Police or his/her designee(s). Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the Hanford Police Department, with such approval not to be unreasonably withheld.

10. 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.

B. Each commercial cannabis business shall identify a designated security representative/liaison to the city of Hanford, who shall be reasonably available to meet with the Chief of Police or his/her designee(s) regarding any security related measures or any operational issues.

C. As part of the application and permitting process each commercial cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.

D. The commercial cannabis business shall cooperate with the city whenever the City Manager or his/her designee(s) makes a request, upon reasonable notice to the commercial cannabis business, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter.

E. A commercial cannabis business shall notify the City Manager or his/her designee(s) 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 City Manager or his/her designee(s).
2. Diversion, theft, loss, or any criminal activity involving the commercial cannabis business or any agent or employee of the commercial cannabis business.
3. The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the commercial cannabis business.
4. Any other breach of security.

5.56.260 Restriction on alcohol sales.

No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the commercial cannabis business.

5.56.270 Fees and charges.

A. No person may commence or continue any commercial cannabis activity in the city, without timely paying in full all fees and charges required for the operation of a commercial cannabis activity. Fees and charges associated with the operation of a commercial cannabis activity shall be established by resolution of the City Council which may be amended from time to time.

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

5.56.280 Miscellaneous operating requirements.

A. Commercial cannabis businesses may operate only during the hours specified in the commercial cannabis business permit issued by the city.

B. Restriction on Consumption. Cannabis shall not be consumed on the premises of any commercial cannabis businesses or elsewhere in the City of Hanford other than within private residences.

C. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a commercial cannabis business permit, or on any of the vehicles owned or used as part of the commercial cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

D. Reporting and Tracking of Product and of Gross Sales. Each commercial cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business 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 commercial cannabis business shall ensure that such information is compatible with the city's record-keeping 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 City Manager or his/her designee(s) prior to being used by the permittee.

E. All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the state and local regulations.

F. There shall not be a physician located in or around any commercial cannabis business at any time for the purpose of evaluating patients for the issuance of a cannabis recommendation or card where applicable.

G. Emergency Contact. Each commercial cannabis business shall provide the City Manager or his/her designee(s) with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.

H. Signage and Notices.

1. In addition to the requirements otherwise set forth in this section, business identification signage for a commercial cannabis business shall conform to the requirements of the Hanford Municipal Code, including, but not limited to, seeking the issuance of a city sign permit.

2. No signs placed on the premises of a commercial cannabis business shall obstruct any entrance or exit to the building or any window.

3. Each entrance to a commercial cannabis business 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 commercial cannabis business is prohibited.

4. Business identification signage shall be limited to that needed for identification only, and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No commercial cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the commercial cannabis business or elsewhere including, but not limited to, the public right-of-way.

5. Signage shall not be directly illuminated, internally or externally. No banners, flags, billboards or other prohibited signs may be used at any time.

6. Holders of commercial cannabis business permits agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the holder of the permit shall be prohibited from advertising any commercial cannabis business located in the City of Hanford utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the state. This paragraph is not intended to place limitations on the ability of a commercial cannabis business to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.

I. Minors.

1. Persons under the age of twenty-one (21) years shall not be allowed on the premises of a commercial cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It is unlawful and a violation of this chapter for any person to employ any person at a commercial cannabis business who is not at least twenty-one (21) years of age.

2. Notwithstanding Section 5.56.280 I.1., persons aged 18 to 20 years shall be allowed on the premises of a commercial cannabis business if they can produce a physician's recommendation. In that event, such persons can lawfully purchase cannabis for the sole purpose of addressing the medical need that is the subject of the physician's recommendation.

3. The entrance to the commercial cannabis business 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 commercial cannabis business.

J. Odor Control. Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from cannabis are not detectable off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the commercial cannabis business 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 commercial cannabis business. As such, commercial cannabis businesses must install and maintain the following equipment, or any other equipment which the City Manager or his/her designee(s) determine is a more effective method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;

2. An air system that creates negative air pressure between the commercial cannabis business's interior and exterior, so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.

K. Display of Permit and City Business License. The original copy of the commercial cannabis business permit issued by the city pursuant to this chapter and the city issued business license shall be posted inside the commercial cannabis business in a location readily-visible to the public.

L. Background Check. Pursuant to California [Penal Code](#) Sections 11105(b)(11) and 13300(b)(11), 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 commercial cannabis business must submit

fingerprints and other information deemed necessary by the chief of police or designee(s) for a background check by the Hanford police department. Pursuant to California **Penal Code** Sections 11105(b)(11) and 13300(b)(11), 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 permit to operate a commercial cannabis business or a related work permit unless they have first cleared the background check, as determined by the chief of police or designee(s), as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the city of Hanford to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business permit is submitted.

M. Loitering. The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.

N. Permits and Other Approvals. Prior to the establishment of any commercial cannabis business or the operation of any such business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.

O. If a commercial cannabis business permittee is operating as a collective or cooperative under **Health and Safety Code** Section 11362.775, subdivision (a), members of the applicant authorized to possess cannabis shall sign an agreement with the commercial cannabis business which states that members shall not distribute cannabis or cannabis products to non-members or in violation of the "Memorandum for all United States Attorneys," issued by the United States Department of Justice, from James M. Cole, Deputy Attorney General and any other applicable state and federal laws, regulations, or guidelines.

P. If the commercial cannabis business permittee is operating as a collective or cooperative under **Health and Safety Code** Section 11362.775, subdivision (a), the commercial cannabis business shall terminate the membership of any member violating any of the provisions of this chapter.

5.56.300 Operational requirements.

The City Manager or his/her designee(s) may develop other commercial cannabis business operational requirements or regulations as are determined to be necessary to protect the public health, safety and welfare.

5.56.310 Operating requirements for dispensaries/storefront retail facilities.

- A. No more than the number of cannabis retailers adopted by resolution may operate within the City of Hanford at any one time and shall be issued a permit by the City of Hanford.
- B. Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of eighteen (18) years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and/or identification card (Medical Cannabis Card) pursuant to Health & Safety Code Section 11362.71. For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.

- C. Entrances into the retailer shall be strictly controlled in a manner approved by the Chief of Police or his/her designee(s). Individuals 18-21 years of age must show their physician's recommendation to gain access. Physician's recommendations are not to be obtained or provided at the retail location.
- D. Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. Security personnel may be allowed to carry firearms if authorized by the Chief of Police.
- E. Retailers may have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on-site in the retail sales area of the retailer. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.
- F. All restroom facilities shall remain locked and under the control of management.
- G. Retailers and microbusinesses authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this division.
 - 1. All cannabis goods sold by a retail business shall be contained in child-resistant packaging.
 - 2. Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.
 - 3. A retail licensee or microbusiness licensee who is engaged in retail sale shall hire or contract for security personnel who are at least 21 years of age to provide security services for the licensed retail premises. All security personnel hired or contracted for by the licensee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.
- H. Access to Retailer Premises.
 - 1. Access to the premises of a retail licensee/permittee shall be limited to individuals who are at least 21 years of age.
 - 2. Notwithstanding Section 5.56.310 (H)(1), individuals who are at least 18 years of age and in possession of a valid physician's recommendation shall be granted access to the premises of a retail licensee/permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.
- I. Authorized Sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician's recommendation. Medicinal cannabis sales to individuals 21 years of age and older are unrestricted.
- J. Limited Access Areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals

employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the licensee/permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the City Manager or his/her designee(s) upon request.

- K. Microbusiness – Commercial Activity. All cultivation, manufacturing, distribution, and retail activities performed by a licensee under a Type 12-Microbusiness permit shall occur on the same licensed premises. Areas of the premises for manufacturing and cultivation shall be separated from the distribution and retail areas by a wall and all doors between the areas shall remain closed when not in use.
- L. Operating hours of the Store Front Retailer License shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.
- M. Store Front/Retail Security Requirements. All provisions incorporated within Section 5.56.250 of this Chapter (Security Measures), are directly applicable to and binding on all commercial cannabis businesses, including all Store Front/Retail businesses.

5.56.320. Operating requirements for delivery services.

Prior to commencing operations, a cannabis 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 City Manager or his/her designee(s) with evidence of a valid state license for a commercial 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 City Manager or his/her designee(s), directly or via the jurisdiction from which the business has received an operating permit, the names and driver's license numbers of all the business' delivery drivers, and evidence verifying that criminal background checks have been conducted for all the business' drivers.
- (4) The retail business operating the delivery service shall furnish to the City Manager or his/her designee(s) 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.

5.56.330 Operating requirements for non-storefront retail.

- A. Non-Store Front Retailer (Delivery) License Owners and Operators are required to verify the age and the necessary documentation of each medical customer to ensure the customer is not under the

age of eighteen (18) years, and to verify that the potential customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the retail location.

- B. All Store Front Retailers, Non-Store Front Retailers (delivery) and Microbusinesses which conduct deliveries into or within the City of Hanford shall be required to obtain a permit from the City of Hanford in order to conduct retail sales regardless if they are located in the city or another local jurisdiction.
- C. Operating hours of the Non-Store Front Retailer License shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.
- D. The commercial Non-Store Front Retailer shall only sell cannabis or cannabis products to a person 21 years of age or older, or a natural person 18 years of age or older who possesses a physician's recommendation for medical cannabis use only.
- E. Except as otherwise provided herein, the commercial cannabis non-storefront retailer may only have on site that quantity of cannabis and cannabis products reasonably anticipated to meet the weekly demand for which they may need to be readily available for sale.
 - a. The commercial cannabis non-store front dispensary may store additional product on-site if they meet the following requirements.
 - b. Product must be secured in a locked vault to which customers, visitors and vendors shall not have access.
 - c. Must have 24-hour security.
 - d. All product must be entered into the state mandated track and trace system.
 - e. Excess product storage shall not exceed the amount that would typically be used in a 6 week period.
 - f. Separate security plan for the additional product being stored shall be approved by the Chief of Police or his/her designee.

5.56.340 Operating requirements for cultivation facilities.

A. Outdoor Cultivation Prohibited. The cultivation of all cannabis must occur indoors. All outdoor cultivation is prohibited.

B. In no case, shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.

C. If a commercial cannabis cultivation is permitted in the city of Hanford then it shall only be allowed to cultivate the square feet of canopy space permitted by state law.

D. Cannabis cultivation shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.

E. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.

F. The cultivation of cannabis shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the commercial cannabis business, visitors to

the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis.

G. All applicants for a cannabis cultivation permit shall submit the following in addition to the information generally otherwise required for a commercial cannabis business:

1. A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities (indoor, mixed-light) and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting (indoor, mixed-light).
2. A description of a legal water source, irrigation plan, and projected water use.
3. Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.
4. Plan for addressing odor and other public nuisances which may derive from the cultivation site.

5.56.350 Cannabis manufacturing—Edibles and other cannabis products—Sale or distribution of edible and other cannabis products.

The manufacturing of food or other products infused with or which otherwise contain cannabis may be manufactured within the appropriate manufacturing zoning districts as described in Title 17, subject to the regulations set forth in this chapter, and subject to whatever additional regulations may be promulgated hereunder by an ordinance or resolution of the City Council.

5.56.360 Packaging and labeling.

A. Before a commercial cannabis manufacturer delivers any edible cannabis or edible cannabis product to a dispensary, the same shall be labeled and placed in tamper-evident packaging which at least meets the requirements of California [Business and Professions Code](#) Section 19347, as the same may be amended from time to time or superseded or replaced by subsequent state legislation or by any department or division of the state of California.

B. All items to be sold or distributed shall be individually wrapped at the original point of preparation by the business permitted as a commercial cannabis manufacturer.

C. Labeling must include a warning if nuts or other known allergens are used, and must include the total weight (in ounces or grams) of cannabis in the package.

D. A warning that the item is a medication and not a food must be clearly legible on the front of the package and/or must comply with state packing requirements.

E. The package must have a label warning that the product is to be kept away from children.

F. The label must also state that the product contains cannabis and must specify the date of manufacture.

G. Any edible cannabis product that is made to resemble a typical food product must be in a properly labeled opaque (non-see-through) package before it leaves the commercial cannabis manufacturing business.

H. Deliveries must be in a properly labeled opaque package when delivered.

I. The City Council may impose additional packaging and labeling requirements on cannabis or cannabis products by resolution, as permitted by law.

5.56.370 Operating requirements for cannabis manufacturing (levels one and two)—Extraction, etc.

A. Cannabis manufacturing facilities requiring a Type 6 or Type 7 state license (using non-volatile and volatile solvents) as defined in **Business and Professions Code** Section 19341, may be permitted to operate within those zone districts as defined in Title 17 of the city of Hanford Municipal Code.

B. Any compressed gases used in the manufacturing process shall not be stored on any property within the city of Hanford in containers that exceeds the amount which is approved by the fire department and authorized by the regulatory permit. Each site or parcel subject to a commercial cannabis business permit shall be limited to a total number of tanks as authorized by the fire department on the property at any time.

C. Cannabis manufacturing facilities may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human-related toxicity approved by the community development department. These solvents must be of at least ninety-nine percent (99%) purity and any extraction process must use them in a professional grade closed loop extraction system designed to recover the solvents, work an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.

D. If an extraction process uses a professional grade closed loop CO₂ gas extraction system where every vessel is certified by the manufacturer for its safe use as referenced in subsection F. The CO₂ must be of at least ninety-nine percent (99%) purity.

E. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

F. Certification from an engineer licensed by the state of California must be provided to the community development department for a professional grade closed loop system used by any commercial cannabis manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including, but not limited to:

1. The American Society of Mechanical Engineers (ASME);
2. American National Standards Institute (ANSI);
3. Underwriters Laboratories (UL); or
4. The American Society for Testing and Materials (ASTM).

G. The certification document must contain the signature and stamp of the professional engineer and serial number of the extraction unit being certified.

H. Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the fire department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.

I. Cannabis manufacturing facilities may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

J. Cannabis manufacturing facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. All ethanol must be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

K. Cannabis manufacturing facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

L. Any person using solvents or gases in a closed loop system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.

M. Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

5.56.372 Operating requirements for Distributors.

- A. A distributor shall not store non-cannabis goods or non-cannabis accessories that are to be sold to another party on any licensed premises. Additionally, a distributor shall not distribute non-cannabis goods or non-cannabis accessories at a licensed premise. For the purposes of this section, non-cannabis goods are any goods that do not meet the definition of cannabis goods as defined in Title 16, Section 5000(c) of the California Code of Regulations.
- B. After taking physical possession of a cannabis goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.
- C. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.
- D. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.
- E. A distributor or an employee of the distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded, and the recording kept available to state and local authorities for a minimum of 180 days, pursuant to Section Title 16, 5305 of the California Code of Regulations.
- F. A distributor shall not transport cannabis or cannabis products to a licensed retail facility until and unless it has verified that the cannabis or cannabis products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Title 16, Sections 5705, 5710 and 5714 of the California Code of Regulations.

5.56.374 Operating requirements for Testing Laboratories.

- A. Testing Labs shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each Testing Lab shall be subject to additional regulations as determined from time to time as more regulations

are developed under this Chapter and any subsequent State of California legislation regarding the same.

- B. Testing Labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.
- C. All cannabis testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Bureau of Cannabis Control.
- D. Testing labs shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the Bureau unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the bureau.
- E. Each operator shall ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by state law and that the testing laboratory employee transports the sample to the testing laboratory.
- F. Except as provided by state law, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol as established in approved security measures by the Chief of Police.
- G. A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver presents the qualified patient's valid physician's recommendation for cannabis for medicinal purpose. A testing lab shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the cannabis or cannabis products received.

5.56.376 Operating requirements for Microbusinesses.

Microbusinesses must comply with the local operating requirements and all requirements imposed by state law that apply to the specific activities operating under the umbrella of the individual microbusiness.

- A. Outdoor Commercial Cultivation is prohibited.
- B. In no case, shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.
- C. Commercial cannabis cultivation which is permitted in the City of Hanford shall not exceed 10,000 square feet of canopy space permitted by state law as part of a microbusiness license.
- D. Cannabis cultivation shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.

- E. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.
- F. The cultivation of cannabis shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the commercial cannabis business, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis.
- G. All applicants for a cannabis cultivation permit shall submit to the following in addition to the information generally otherwise required for a commercial cannabis business:
 - (1) A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting.
 - (2) A description of a legal water source, irrigation plan, and projected water use.
 - (3) Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.
 - (4) Plan for addressing odor and other public nuisances that may derive from the cultivation site.

5.56.380 Promulgation of regulations, standards and other legal duties.

A. In addition to any regulations adopted by the City Council, the City Manager or his/her designee(s) is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of commercial cannabis business permits, the ongoing operation of commercial cannabis businesses and the city's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.

B. Regulations shall be published on the city's website.

C. Regulations promulgated by the City Manager shall become effective upon date of publication. Commercial cannabis businesses 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 City Manager or his/her designee(s).

D. Testing labs, transporters and distribution facilities shall be subject to state law and shall be subject to additional regulations as determined from time to time as more regulations are developed under subsection A.

5.56.390 Community relations.

A. Each commercial cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the commercial cannabis business can be provided. Each commercial cannabis business shall also provide the above information to all businesses and residences located within one hundred (100) feet of the commercial cannabis business.

B. During the first year of operation pursuant to this chapter, the owner, manager, and community relations representative from each commercial cannabis business holding a permit issued pursuant to this chapter shall attend a quarterly meeting with the City Manager or his/her designee(s) and other interested parties as deemed appropriate by the City Manager, to discuss costs, benefits, and other community issues arising as a result of implementation of this chapter. After the first year of operation, the owner, manager, and community relations representative from each such commercial cannabis business shall meet with the City Manager or his/her designee(s) when and as requested by the City Manager or his/her designee(s).

C. Commercial cannabis businesses to which a permit is issued pursuant to this chapter 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.

5.56.400 Fees deemed debt to city of Hanford.

The amount of any fee, cost or charge imposed pursuant to this chapter shall be deemed a debt to the city of Hanford that is recoverable via an authorized administrative process as set forth in the municipal code, or in any court of competent jurisdiction.

5.56.410 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 of Hanford, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence.

5.56.420 Inspection and enforcement.

A. Representatives of the City, charged with enforcing the provisions of the Hanford Municipal Code, or any provision thereof, may enter the location of a commercial cannabis business at any time, without notice, and inspect the location of any commercial cannabis business as well as any recordings and records required to be maintained pursuant to this chapter or under applicable provisions of state law.

B. It is unlawful for any person having responsibility over the operation of a commercial cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the city to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law.

C. Representatives of the City, charged with enforcing the provisions of this chapter may enter the location of a commercial cannabis business at any time during the hours of operation and without notice

to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the city of Hanford shall be logged, recorded, and maintained in accordance with the Hanford Police department standards for evidence.

5.56.430 Concurrent regulation with state.

It is the stated intent of this chapter to regulate commercial cannabis activity in the city of Hanford concurrently with the state of California.

5.56.440 Violations declared a public nuisance.

Each and every violation of the provisions of this chapter is hereby deemed unlawful and a public nuisance per se. The nuisance abatement remedies and procedures identified in Chapter 17.94, which are incorporated herein by reference, shall apply to nuisances existing under this Chapter 5.56.

5.56.450 Each violation a separate offense.

Each and every violation of this chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Hanford Municipal Code or by state law. Each day a violation is committed or permitted to continue shall constitute a separate violation. Additionally, as a nuisance per se, any violation of this chapter shall be subject to injunctive relief, any permit issued pursuant to this chapter being deemed null and void, disgorgement and payment to the city of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The city of Hanford may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis business or persons related to, or associated with, the commercial cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the City Manager or his/her designee(s) may take immediate action to temporarily suspend or revoke a commercial cannabis business permit issued by the city, pending a hearing before the City Council or its designee.

5.56.460 Criminal penalties.

Each and every violation of the provisions of this chapter may be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000.00) or imprisonment in the County Jail for a period of not more than twelve (12) months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense. (Ord. 17-08 § 2, 2017)

5.56.470 Administrative penalties and costs.

In addition to any other remedy available at law, an administrative citation may be issued to any person or entity who violates this chapter.

A. Issuance of Citation.

1. Whenever the city's Police Chief, his/her designee, or a city Code Enforcement Officer determines that a violation of this chapter has occurred, the Police Chief, his/her designee, or a City Code Enforcement Officer shall have the authority to issue an administrative citation to any person or entity responsible for the violation.
2. Each administrative citation shall contain the following information:
 - i. The date of the violation or, if the date of the violation is unknown, then the date the violation is identified;
 - ii. The address or a definite description of the location where the violation occurred;
 - iii. The section of this chapter that was violated and a description of the violation;
 - iv. The amount of the fine for the violation;
 - v. A description of the fine payment process, including a description of the time within which and the place at which the fine shall be paid;
 - vi. An order prohibiting the continuation or repeated occurrence of the code violation described in the administrative citation;
 - vii. A description of the administrative citation review process, including the time within which the administrative citation may be contested and the place from which a request for hearing form to contest the administrative citation may be obtained; and
 - viii. The name and signature of the individual issuing the citation.

B. *Amount of Fines.*

1. The amounts of the administrative citation fines for violations of this chapter shall be set forth in a schedule of fines established by resolution of the City Council.
2. The schedule of fines shall specify any increased fines for repeat violations of the same code provision by the same person or entity.

C. *Payment of Fines.*

1. Fines shall be paid to the city within thirty (30) days from the date of the administrative citation.
2. Any administrative citation fine paid shall be refunded if it is determined, after an appeal hearing, that a person or entity charged in the administrative citation was not responsible for the violation or that there was no violation as charged in the citation.

3. Payment of a fine under this chapter shall not excuse, discharge, or permit any continuation or repeated occurrence of the code violation that is the subject of the administrative citation.

D. *Hearing Request.*

1. Any recipient of an administrative citation may appeal the citation by submitting a written request for hearing to the City Clerk or his/her designee within thirty (30) days from the date of the administrative citation, together with an advance deposit of the fine and appeal fee.
2. If the Police Chief, his/her designee, or a Code Enforcement Officer submits an additional written report concerning the administrative citation to the hearing body, then a copy of such report shall be served on the person requesting the hearing at least five (5) days prior to the date of the hearing.

E. *Hearing Procedure.*

1. The appeal procedures described in Section 5.56.160 shall apply to appeals involving administrative citations.
2. No hearing to contest an administrative citation shall be held unless the fine has been deposited with the city in advance.
3. At the hearing, the party contesting the administrative citation shall be given the opportunity to testify and to present evidence concerning the administrative citation.
4. The administrative citation and any additional report submitted by the Police Chief, his/her designee, or a Code Enforcement Officer shall constitute prima facie evidence of the respective facts contained in those documents.
5. The hearing body may continue the hearing and request additional information from the Police Chief, his/her designee, Code Enforcement Officer, or the recipient of the administrative citation prior to issuing a written decision.

F. *Hearing Body's Decision.*

1. After considering all of the testimony and evidence submitted at the hearing, the hearing body shall issue a written decision to uphold, modify, or cancel the administrative citation and shall list in the decision the reasons for the decision. The decision of the hearing body shall be final.
2. If the hearing body determines that the administrative citation should be upheld, then the fine amount on deposit with the city shall be retained by the city.
3. If the hearing body determines that the administrative citation should be canceled, then the city shall promptly refund the amount of the deposited fine.
4. If the hearing body determines that the fine levied under the administrative citation should be adjusted, then the city will promptly refund the amount of the deposited

fine that exceeds the amount fixed by the hearing body or the recipient of the administrative citation will promptly pay to the city an additional amount fixed by the hearing body if the body finds that the fine assessed under the administrative citation to be insufficient.

5. The recipient of the administrative citation shall be served with a copy of the hearing body's written decision.

G. *Late Payment Charges.*

Any person or entity who fails to pay to the city any fine imposed or amount owed pursuant to the provisions of this chapter on or before the date that the fine or amount is due shall also be liable for a late payment charge equal to ten percent (10%) of the unpaid amount, and interest shall accrue thereafter at a rate of one and one half percent (1.5%) per month on the unpaid fine; provided however, the additional penalty and/or interest shall not apply if collection of the same by the city would violate State law.

H. *Recovery of Administrative Citation Fines and Costs.*

Any person or entity who violates this chapter shall be responsible for the enforcement costs incurred by the city with respect to such violation. The City may collect any past due administrative citation fines, enforcement and collection costs, and late payment charges by use of all available legal means. Collection costs shall be in addition to any interest and/or late charges imposed upon the delinquent obligation and shall be added to and become a part of the underlying obligation. Any partial payment of an obligation, when a partial payment is permitted, will be applied first to the principal amount of the underlying obligation, then to any penalties, and then to interest.

I. *Recovery of Administrative Citation Fines and Costs.*

Any person or entity who violates this Chapter shall be responsible for the enforcement costs incurred by the City with respect to such violation. The City may collect any past due administrative citation fines, enforcement and collection costs, and late payment charges by use of all available legal means, including, without limitation, the lien procedures identified in Sections 17.94.180 and 17.94.190 of this Code, which are incorporated herein by reference. Collection costs shall be in addition to any interest and/or late charges imposed upon the delinquent obligation and shall be added to and become a part of the underlying obligation. Any partial payment of an obligation, when a partial payment is permitted, will be applied first to the principal amount of the underlying obligation, then to any penalties, and then to interest.

J. *Right to Judicial Review.*

Any person or entity aggrieved by a decision of the hearing body on an administrative citation may obtain review of the decision by filing a petition for review with the Superior Court for Kings County, California in accordance with the timelines and provisions set forth in California Government Code Section 53069.4, as may be amended.

K. *Notices.*

The administrative citation and all notices required to be given by this chapter shall be served by personal delivery thereof to the person or entity to be notified or by deposit in the United States Mail, certified mail with return receipt requested, addressed to such person to be notified at his/her/its last-known address as the same appears in the public records or other records pertaining to the matter to which such notice is directed. Service by mail shall be deemed to have been completed at the time of deposit in the mail.

5.56.480 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.

Chapter 5.56 COMMERCIAL CANNABIS ACTIVITY.

5.56.010 Purpose and intent.

It is the purpose and intent of this chapter to accommodate the needs of medically-ill persons in need of cannabis for medical purposes, as advised and recommended by their health care provider(s), and to implement the Adult Use Cannabis Act which was passed by the voters of California while imposing regulations on the use of land to protect the city's neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this chapter to regulate the cultivation, manufacturing, processing, testing, transporting, delivery, and distribution of cannabis and cannabis-related products in a manner which is responsible, which protects the health, safety, and welfare of the residents of Hanford, and to enforce rules and regulations consistent with state law. In part to meet these objectives, an annual permit shall be required to own and/or to operate a commercial cannabis business within Hanford. Nothing in this chapter is intended to authorize the possession, use, or provision of cannabis for purposes which violate state or federal law. The provisions of this chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the city, and are in addition to any permits, licenses and approval required under state, county, or other law.

5.56.020 Legal authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, and the provisions of the Medical Cannabis Regulation and Safety Act (hereinafter "MCRSA"), and the Adult Use Cannabis Act (hereinafter "AUMA") the city of Hanford is authorized to adopt ordinances that establish standards, requirements and regulations for local licenses and permits for cannabis and cannabis-related activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the state of California, or any of its departments or divisions, shall be the minimum standards applicable in the city of Hanford to cannabis, and/or cannabis-related activity.

5.56.030 Cannabis cultivation and commercial cannabis business activities prohibited unless specifically authorized by this chapter.

Except as specifically authorized in this chapter, the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, dispensing, distribution, delivery, or sale of cannabis or cannabis product is expressly prohibited in the City of Hanford.

5.56.040 Compliance with state and local laws.

It is the responsibility of the owners and operators of the commercial cannabis business to ensure that it is, always, operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this chapter shall be construed as authorizing any actions which violate federal, state law or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and the 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 federal, state and local laws, the 2008 Attorney General Guidelines, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the commercial

cannabis business permit. Nothing in this chapter shall be construed as authorizing any actions which violate federal or state law regarding the operation of a commercial cannabis business.

5.56.050 Definitions.

When used in this chapter, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder, and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

“Bureau” means the Bureau of Cannabis Control within the California Department of Consumer Affairs.

“Cannabis” refers to “marijuana,” and means all parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether medical or nonmedical, 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” also means marijuana as defined by Section 11018 of the California [Health and Safety Code](#) as enacted by Chapter 14017 of the Statutes of 1972. “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 chapter, “cannabis” does not mean industrial hemp as that term is defined by Section 81000 of the California [Food and Agricultural Code](#) or Section 11018.5 of the California [Health and Safety Code](#).

“Cannabis business park” means a park or campus that is one contiguous commercial area of land which has many cannabis related businesses grouped together. Each individual business is clearly defined, having a unique entrance and immovable physical barriers between uniquely licensed premises.

“Cannabis concentrate” means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product’s potency.

“Cannabis product” means a product containing cannabis, including, but not limited to, manufactured cannabis intended to be sold for use by cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California [Health and Safety Code](#) (as the same may be amended from time to time) or pursuant to the Adult Use of Marijuana Act. For purposes of this chapter, “medical cannabis” does not include industrial hemp as defined by Section 81000 of the California [Food and Agricultural Code](#) or Section 11018.5 of the California [Health and Safety Code](#).

“Canopy” means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site.

“Caregiver” or “primary caregiver” has the same meaning as that term is defined in Section 11362.7 of the California [Health and Safety Code](#).

“City” or “city of Hanford” means the city of Hanford, a California general law city.

“Commercial cannabis activity” includes cultivation, manufacture, processing, laboratory testing, transporting, delivery, distribution, or sale of cannabis product, within the meaning of California [Business and Professions Code](#) Section 26001 and California [Business and Professions Code](#) Section 26050, et seq.

“Commercial cannabis business” means any business or operation which engages in cannabis activity.

“Commercial cannabis business permit” means a regulatory permit issued by the city of Hanford pursuant to this chapter to a commercial cannabis business, and is required before any commercial cannabis activity may be conducted in the city. The initial permit and annual renewal of a commercial cannabis business permit is made expressly contingent upon the business’ ongoing compliance with all of the requirements of this chapter and any regulations adopted by the city governing the commercial cannabis activity at issue.

“Cultivation” means any activity, whether occurring indoors or outdoors, involving the propagation, planting, growing, harvesting, drying, curing, grading, and/or trimming of cannabis plants or any part thereof for any purpose, including cannabis.

“Cultivation site” means a facility where cannabis is cultivated, propagated, planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, and where the operator holds a valid commercial cannabis business permit for cultivation from the city of Hanford and a valid state license to cultivate cannabis as required by state law.

“Delivery” means the commercial transfer of cannabis or cannabis products from a dispensary, up to an amount determined to be authorized by the state of California, or any of its departments or divisions, to anyone for any purpose. “Delivery” also includes the use by a dispensary of any technology platform owned, controlled, and/or licensed by the dispensary, or independently licensed by the state of California under the MCRSA or AUMA (as the same may be amended from time-to-time), that enables anyone to arrange for or facilitate the commercial transfer by a licensed dispensary of cannabis or cannabis products.

“Dispensary” means a commercial cannabis business facility 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 (whether fixed or mobile) 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 Hanford authorizing the operation of a dispensary, and a valid state license as required by state law to operate a dispensary.

“Dispensing” means any activity involving the retail sale of cannabis or cannabis products from a dispensary.

“Distribution” means the wholesale procurement, and sale, of cannabis or cannabis products between entities licensed pursuant to MCRSA, AUMA and any subsequent state of California legislation regarding the same.

“Distributor” means a person holding a valid commercial cannabis business permit for distribution issued by the city of Hanford, and, a valid state license for distribution, required by state law to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed dispensary.

“Dried flower” means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

“Edible cannabis product” means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California [Health and Safety Code](#) or a drug as defined by Section 109925 of the

California [Health and Safety Code](#). An edible cannabis product shall not be deemed to be adulterated pursuant to Section 19347.6 of the [Business and Professions Code](#) solely because it contains cannabis.

“Greenhouse” means a fully enclosed permanent structure that is clad in transparent material with climate control, such as heating and ventilation capabilities and supplemental artificial lighting, and that uses a combination of natural and supplemental lighting for cultivation.

“Live plants” means living cannabis flowers and plants, including seeds, sprouts, immature plants (including unrooted clones), and vegetative stage plants.

“Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.

“Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of manufactured cannabis, as defined in this section, or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container, where the operator holds a valid commercial cannabis business permit for manufacturing from the city of Hanford and, after January 1, 2018 or as soon as permitted by the state granting agency, department or division, a valid state license for manufacturing pursuant to MCRSA and/or AUMA. A manufacturer may also be a person that infuses cannabis in its products but does not perform its own extraction.

“Manufacturing site” means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid commercial cannabis business permit for manufacturing from the city of Hanford and, a valid state license as required for manufacturing of cannabis products.

“Microbusiness” shall have the same meaning as that contained in Section 26070(a)(3) of the Business and Professions Code of the State of California.

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

“Patient” or “qualified patient” shall have the same definition as California [Health and Safety Code](#) Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California [Health and Safety Code](#) Section 11362.5.

“Person” means an 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 includes the plural as well as the singular number.

“Person with an identification card” shall have the meaning given that term by California [Health and Safety Code](#) Section 11362.7.

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

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

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

1. Accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state.

2. Licensed by the Bureau of Cannabis Control, and is owned and operated by a person issued a valid commercial ~~medical~~ cannabis business permit for laboratory testing from the city of Hanford.

“Transport” means the transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized by the MCRSA and/or AUMA.

“Transporter” means a person issued a state license, and a commercial cannabis business permit by the city of Hanford, authorizing the transport of cannabis or cannabis products in amounts authorized by the state of California, or by one of its departments or divisions under the MCRSA and/or AUMA.

5.56.060 Commercial cannabis business permit required to engage in commercial cannabis business.

A. No person may engage in any commercial cannabis business or activity within the city of Hanford including cultivation, manufacture, processing, laboratory testing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the person: (1) has a valid commercial cannabis business permit from the city of Hanford; and (2) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis business or activities, including the duty to obtain any required state licenses.

B. Until **Health and Safety Code** Section 11362.775, subdivision (a), is repealed, the city intends that person’s eligible to operate collectives or cooperatives under that subdivision shall be eligible to apply for a city permit to conduct commercial cannabis activities, but only to the degree those activities are authorized under state law for collectives and cooperatives. When the **Health and Safety Code** Section 11362.775, subdivision (a), is repealed, or as soon as collectives and cooperatives are no longer permitted to engage in commercial cannabis activity under state law, any city permit holder operating a commercial cannabis business under a collective or cooperative who has not already obtained a state license for the commercial cannabis activities they are engaged in shall automatically forfeit his or her city commercial cannabis business permit. At that point, they shall no longer be authorized to engage in any commercial cannabis activities in the city until they obtain both a city issued commercial cannabis business permit and a state license for that commercial cannabis activity.

5.56.070 Cannabis employee permit required.

A. Any person who is an employee or who otherwise works or volunteers within a commercial cannabis business must be legally authorized to do so under applicable state law. Employees, workers, or volunteers at businesses that are permitted by the city of Hanford as cannabis business cultivators, manufacturers, distributors, or delivers that are operating pursuant to **Health and Safety Code** Section 11362.775(a) as collectives or cooperatives until that subsection is repealed must be qualified patients or primary caregivers as required by state law.

B. Any person who is an employee or who otherwise works or volunteers within a commercial cannabis business must obtain a commercial cannabis employee work permit from the city prior to performing any work at any commercial cannabis business.

C. Applications for a commercial cannabis employee work permit shall be developed and made available by the City Manager or his/her designee(s), and shall include, but not be limited to, the following information:

1. Name, address, and phone number of the applicant;
2. Age and verification of applicant. A copy of a birth certificate, driver's license, government issued identification card, passport or other proof that the applicant is at least twenty-one (21) years of age must be submitted with the application;
3. Name, address of the commercial cannabis businesses where the person will be employed, and the name of the primary manager of that business;
4. A list of any crimes enumerated in California [Business and Professions Code](#) Section 26507(b)(4) for which the applicant has been convicted;
5. Name, address, and contact person for any previous employers from which the applicant was fired, resigned, or asked to leave and the reasons for such dismissal or firing;
6. The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the Chief of Police or his/her designee(s);
7. A signed statement under penalty of perjury that the information provided is true and correct;
8. If applicable, verification that the applicant is a qualified patient or primary caregiver;
9. A fee paid in an amount set by resolution of the City Council in an amount necessary to cover the costs of administering the employee work permit programs. The fee is non-refundable and shall not be returned in the event the work permit is denied or revoked.

D. The Chief of Police or his/her designee(s) shall conduct a background check to determine whether the applicant was convicted of a crime or left a previous employer for reasons that show the applicant:

1. Has been convicted of a crime involving dishonesty, fraud or deceit, including but not limited to fraud, forgery, theft, or embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, respectively; or equivalent offenses in other states.
2. Has committed a felony or misdemeanor involving fraud, deceit, embezzlement; or
3. Was convicted of a violent felony, a crime of moral turpitude; or
4. The illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

Discovery of these facts showing that the applicant has been convicted of a crime involving dishonesty, fraud or deceit are grounds for denial of the permit. Where the applicant's sentence (including any term of probation, incarceration, or supervised release) for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is completed, such underlying conviction shall not be the sole ground for denial of a commercial cannabis work permit. Furthermore, an applicant shall not be denied a permit if the denial is based solely on any of the following: (i) a conviction for any crime listed in subsection (D)(4) for which the applicant has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the California [Penal Code](#); or (ii) a conviction that was subsequently dismissed pursuant to Section 1203.4, 1203.4a, or

1203.41 of the California Penal Code or any other provision of state law allowing for dismissal of a conviction.

E. The City Manager or his/her designee(s) shall issue the commercial cannabis work permit or a written denial to the applicant within ninety (90) days of the date the application was deemed complete. Upon the request of a commercial cannabis business and while processing the application for a work permit, the City Manager or his/her designee(s) may issue a temporary work permit for an employee if the business demonstrates to the City Manager or his/her designee(s) that the employee is necessary for the operation of the business. The temporary permit may be immediately revoked by the City Manager or his/her designee(s) upon determination that the applicant has failed the background check.

F. A work permit shall be valid for a twelve (12) month period and must be renewed on an annual basis. Renewal applications shall contain all the information required in subsection B including the payment of a renewal application fee in an amount to be set by resolution of the City Council.

G. In the event a person changes employment from one commercial cannabis business in the city to another, the work permit holder shall notify the City Manager or his/her designee(s) in writing of the change within ten (10) days, or the work permit shall be suspended or revoked and such person shall not be permitted to work at any commercial cannabis business in the city.

H. The city may immediately revoke the commercial cannabis work permit should the permit holder be convicted of a crime listed in subsections C and D or if facts become known to the chief of police or designee(s) that the permit holder has engaged in activities showing that he or she is dishonest.

I. The City Manager or his/her designee(s) is hereby authorized to promulgate all regulations necessary to implement the work permit process and requirements.

J. The applicant may appeal the denial or revocation of a commercial cannabis work permit by filing a notice of appeal with the City Clerk within ten (10) days of the date the applicant received the notice of denial, which appeal shall be conducted as set forth in Section 5.56.140 of this chapter.

K. The City Manager or his/her designee(s) shall issue a permit in the form of a personal identification card that can be worn by the employee. The personal identification card shall be worn approximately chest-high on their outermost garment, in a prominent and visible location. The identification card shall be maintained in good and readable condition at all times.

5.56.080 Maximum number and type of authorized commercial cannabis businesses permitted.

The number of each type of commercial cannabis business that shall be permitted to operate in the city shall be established by resolution of the City Council.

A. This section is only intended to create a maximum number of commercial cannabis businesses that may be issued permits to operate in the city under each category. Nothing in this chapter creates a mandate that the City issue any or all of the commercial cannabis business permits if it is determined that the applicants do not meet the standards which are established in the application requirements or further amendments to the application process.

B. At any time, in the City Council's discretion, the City Council may reassess the number of commercial cannabis business permits which are authorized for issuance. The City Council, in its discretion, may determine by resolution that the number of commercial cannabis permits should stay the same, or be expanded.

5.56.090 Initial application procedure.

A. The City Council shall adopt by resolution the procedures which will govern the application process, and the manner in which the decision will ultimately be made regarding the issuance of any commercial cannabis business permit(s). The City Manager or his/her designee(s) is hereby authorized to prepare the necessary forms, adopt any necessary rules to the application, regulations and processes, solicit applications, conduct initial evaluations of the applicants, and to ultimately select the applicant(s) that will be awarded a permit.

B. At the time of filing, each applicant shall pay an application fee established by resolution of the City Council, to cover all costs incurred by the city in the application process.

C. After the initial review, the City Manager or his/her designee(s) will select the applicant(s) to be awarded a permit based upon the available permits and the ranking of the applicants during the review process.

D. The City's Reservation of Rights. The city reserves the right to reject any or all applications. The city may also modify, postpone, or cancel any request for applications, or the entire program under this title, at any time without liability, obligation, or commitment to any party, firm, or organization. Persons submitting applications assume the risk that all or any part of the 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 any other justification provided, a failure to comply with other requirements in this chapter, an application risks being rejected for any of the following reasons:

1. Proposal received after designated time and date.
2. Proposal not containing the required elements, exhibits, nor organized in the required format.
3. Proposal considered not fully responsive to this request for permit application.
4. Proposal contains excess or extraneous material not called for in the request for permit application.

5.56.100 Expiration of commercial cannabis business permits.

Each commercial cannabis business permit issued pursuant to this chapter shall expire twelve (12) months after the date of its issuance. Commercial cannabis permits may be renewed as provided in Section 5.56.120.

5.56.110 Revocation of permits.

Commercial cannabis business permits may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to this chapter.

5.56.120 Renewal applications.

A. An application for renewal of a commercial cannabis business permit shall be filed at least Thirty (30) calendar days prior to the expiration date of the current permit.

- B. The renewal application shall contain all the information required for new applications.
- C. The applicant shall pay a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the city to administer the program created under this chapter.
- D. An application for renewal of a commercial cannabis business permit may be rejected if any of the following exists:
 - 1. The application is filed less than thirty (30) days before its expiration.
 - 2. The commercial cannabis business permit is suspended or revoked at the time of the application.
 - 3. The commercial cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
 - 4. The commercial cannabis business has failed to conform to the requirements of this chapter, or of any regulations adopted pursuant to this chapter.
 - 5. The permittee fails or is unable to renew its state of California license.
 - 6. If the city or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this chapter, of the city's municipal code, or of the state rules and regulations, and the city or state has determined that the violation is grounds for termination or revocation of the commercial cannabis business permit.
- E. The City Manager or his/her designee(s) is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager or his/her designee(s) is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the City Manager or his/her designee(s) shall be handled pursuant to Section 5.56.140.
- F. If a renewal application is rejected, a person may file a new application pursuant to this chapter no sooner than one year from the date of the rejection. An application may be approved, conditionally approved, or rejected at the discretion of the City Manager or his/her designee(s). Any correction required for a conditionally approved application must be done in a timely manner as set forth by the City Manager or his/her designee(s).

5.56.130 Effect of state license suspension, revocation, or termination.

Suspension of a license issued by the state of California, or by any of its departments or divisions, shall immediately suspend the ability of a commercial cannabis business to operate within the city, until the state of California, or its respective department or division, reinstates or reissues the state license. Should the state of California, or any of its departments or divisions, revoke or terminate the license of a commercial cannabis business, such revocation or termination shall also revoke or terminate the ability of a commercial cannabis business to operate within the City of Hanford.

5.56.140 Appeals.

Unless specifically provided elsewhere to the contrary, an appeal of a City decision or action occurring under this chapter City Manager or his/her designee(s) shall be conducted as prescribed hereinafter.

5.56.150 Written request for appeal.

A. Within ten (10) calendar days after the date of a decision or action of the City Manager or his/her designee(s) occurring pursuant to this chapter, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper. The failure to file a timely appeal shall constitute the failure to exhaust administrative remedies.

B. At the time of filing the appellant shall pay the designated appeal fee, established by resolution of the City Council from time to time.

5.56.160 Appeal hearing process.

A. Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council or its designee. The City Council or its designee shall hear the matter de novo.

B. The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than ninety (90) days from the date of such filing. The city shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.

C. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.

D. The failure of an appealing party to appear at the appeal hearing shall constitute a failure to exhaust his/her/its/their administrative remedies.

E. At the conclusion of the hearing the City Council or its designee may affirm, reverse or modify the decision appealed. The decision of the City Council or its designee shall be final.

F. Following the appeal hearing, an aggrieved party may seek judicial review of the City Council or its designee's appeal decision by filing a complaint with the Superior Court of Kings County, California during the period identified by California Code of Civil Procedure Section 1094.6, as may be amended.

5.56.170 Permittee selection process.

A. The City Manager or his/her designee(s) shall develop procedures and review criteria by which the applicants for a commercial cannabis business permit shall be evaluated.

B. Applications shall be vetted by the City Manager or his/her designee(s) and a committee of his/her choice or his/her designee's choice. At the conclusion of the vetting process, the committee shall prepare a report ranking the applications and submit that report for consideration to the City Manager or his/her designee(s). The recommendations shall include a summary of the concerns which need to be mitigated by the applicant prior to the issuance of the permit.

C. At least twenty (20) days prior to the selection of the applicants, notice shall be sent to all property owners located within five hundred (500) feet of the proposed business locations of each of the finalists to be considered.

D. The City Manager or his/her designee(s) shall either deny or approve the final candidates. The decision of the City Manager or his/her designee(s) shall be subject to appeal in accordance with the appeal provisions of this chapter.

E. Official issuance of the commercial cannabis business permit(s), however, is conditioned upon the prevailing candidate(s) obtaining all required land use approvals. Following the selection, the prevailing candidate(s) shall apply to the city's Community Development department to obtain any required land use approvals or entitlements for the permittee's location, if any. Land use approvals shall include compliance with all applicable provisions of CEQA. The City Manager or his/her designee(s) shall formally issue the commercial cannabis business permit(s) once it has been affirmed that all of the required land use approvals have been obtained.

F. Issuance of a commercial cannabis business permit does not create a land use entitlement. The commercial cannabis business permit shall only be for a term of twelve (12) months, and shall expire at the end of the twelve (12) month period unless it is renewed as provided herein. Furthermore, no permittee may begin operations, notwithstanding the issuance of a permit, unless all of the state and local laws and regulations, including, but not limited to, the requirements of this chapter and of the permit, have been complied with.

G. Notwithstanding anything in this chapter to the contrary, the City reserves the right to reject any or all applications if it determines it would be in the best interest of the city, taking into account any health, safety and welfare impacts on the community. Applicants shall have no right to a commercial cannabis business permit until a permit is actually issued, and then only for the duration of the permits term. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the City Council may terminate or delay the program created under this chapter.

H. If an application is denied, a new application may not be filed for one year from the date of the denial.

I. Each applicant granted a commercial cannabis business permit shall be required to pay the permit fee established by resolution of the City Council, to cover the costs of administering the commercial cannabis business permit program created in this chapter.

5.56.180 Change in location—Updated registration form.

A. Any time the dispensing, cultivation, manufacturing, transportation and distribution location specified in the regulatory permit is changed, the applicant shall re-register with the City Manager or his/her designee(s). The process and the fees for re-registration shall be the same as the process and fees set forth for registration in Sections 5.56.090 and 5.56.120.

B. Within fifteen (15) calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of this chapter, including any change in the commercial cannabis business ownership or management members, the applicant shall file an updated registration form with the City Manager or his/her designee(s) for review along with a registration amendment fee, as set forth in Sections 5.56.090 and 5.56.120.

5.56.185 Sale and assignment of license.

No commercial cannabis business permit may be sold, assigned, or otherwise transferred without the approval of the City Manager or his/her designee(s). As a condition of approval, the proposed purchaser, assignee, or transferee of a commercial cannabis business permit shall undergo the application and approval process described in Section 5.56.090 above.

5.56.190 City business license.

Prior to commencing operations, a commercial cannabis business shall obtain a city of Hanford business license.

5.56.200 Building permits and inspection.

Prior to commencing operations, a commercial cannabis business 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, health department approvals and other zoning and land use permit(s) and approvals.

5.56.210 Certification from the City Manager or his/her designee(s).

Prior to commencing operations, a commercial cannabis business must obtain a certification from the City Manager or his/her designee(s) certifying that the business is located on a site that meets all of the requirements of Title 17 of the city's municipal code.

5.56.220 Right to occupy and to use property.

As a condition precedent to the city's issuance of a commercial cannabis business permit pursuant to this chapter, any person intending to open and to operate a commercial cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from another person, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this chapter and consents to the operation of the commercial cannabis business on the owner's property.

5.56.230 Limitations on City's liability.

To the fullest extent permitted by law, the City of Hanford shall not assume any liability whatsoever with respect to having issued a commercial cannabis business permit pursuant to this chapter or otherwise approving the operation of any commercial cannabis business. As a condition to the approval of any commercial cannabis business permit, the applicant shall be required to meet all of the following conditions before they can receive the commercial cannabis business permit:

A. They must execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City of Hanford, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of

the commercial cannabis business permit, the City's decision to approve the operation of the commercial cannabis business or activity, the process used by the city in making its decision, or the alleged violation of any federal, state or local laws by the commercial cannabis business or any of its officers, employees or agents.

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

C. Reimburse the City of Hanford for all costs and expenses, including, but not limited to, attorney fees and costs and court costs, which the city of Hanford may be required to pay as a result of any legal challenge related to the city's approval of the applicant's commercial cannabis business permit, or related to the city's approval of a commercial cannabis activity. The City of Hanford may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

5.56.240 Records and recordkeeping.

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

B. Each owner and operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in 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 City Manager or his/her designee(s) upon a reasonable request.

C. Each commercial cannabis business shall maintain a record of all persons, patients, collectives and primary caregivers served by the commercial cannabis business, for a period of no less than four (4) years.

D. All commercial cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until purchase by or distribution to a qualified patient, primary caregiver for purpose or an adult twenty-one (21) years of age or older who qualifies to purchase cannabis as set forth in AUMA.

E. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA) regulations, each commercial cannabis business shall allow city of Hanford officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination.

Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the city's request, unless otherwise stipulated by the city. The city may require the materials to be submitted in an electronic format that is compatible with the city's software and hardware.

5.56.250 Security measures.

A. A permitted commercial cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the commercial cannabis business. Except as may otherwise be determined by the chief of police or designee(s), these security measures shall include, but shall not be limited to, all of the following:

1. Preventing 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.

2. Establishing limited access areas accessible only to authorized commercial cannabis business personnel.

3. Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants which are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss,

4. Installing twenty-four (24) hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the commercial cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. The commercial cannabis business shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Hanford Police Department, and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the Hanford Police Department. Video recordings shall be maintained for a minimum of forty-five (45) days, and shall be made available to the Hanford Police Department upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the commercial cannabis business.

5. Sensors shall be installed to detect entry and exit from all secure areas.

6. Panic buttons shall be installed in all commercial cannabis businesses.

7. Having a professionally installed, maintained, and monitored alarm system.

8. Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building.

9. Security personnel shall be on-site twenty-four (24) hours a day or alternative security as authorized by the Chief of Police or his/her designee(s). Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the Hanford Police Department, with such approval not to be unreasonably withheld.

10. 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.

B. Each commercial cannabis business shall identify a designated security representative/liaison to the city of Hanford, who shall be reasonably available to meet with the Chief of Police or his/her designee(s) regarding any security related measures or any operational issues.

C. As part of the application and permitting process each commercial cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.

D. The commercial cannabis business shall cooperate with the city whenever the City Manager or his/her designee(s) makes a request, upon reasonable notice to the commercial cannabis business, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter.

E. A commercial cannabis business shall notify the City Manager or his/her designee(s) 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 City Manager or his/her designee(s).
2. Diversion, theft, loss, or any criminal activity involving the commercial cannabis business or any agent or employee of the commercial cannabis business.
3. The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the commercial cannabis business.
4. Any other breach of security.

5.56.260 Restriction on alcohol sales.

No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the commercial cannabis business.

5.56.270 Fees and charges.

A. No person may commence or continue any commercial cannabis activity in the city, without timely paying in full all fees and charges required for the operation of a commercial cannabis activity. Fees and charges associated with the operation of a commercial cannabis activity shall be established by resolution of the City Council which may be amended from time to time.

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

5.56.280 Miscellaneous operating requirements.

A. Commercial cannabis businesses may operate only during the hours specified in the commercial cannabis business permit issued by the city.

B. Restriction on Consumption. Cannabis shall not be consumed on the premises of any commercial cannabis businesses or elsewhere in the City of Hanford other than within private residences.

C. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a commercial cannabis business permit, or on any of the vehicles owned or used as part of the commercial cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

D. Reporting and Tracking of Product and of Gross Sales. Each commercial cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business 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 commercial cannabis business shall ensure that such information is compatible with the city's record-keeping 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 City Manager or his/her designee(s) prior to being used by the permittee.

E. All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the state and local regulations.

F. There shall not be a physician located in or around any commercial cannabis business at any time for the purpose of evaluating patients for the issuance of a cannabis recommendation or card where applicable.

G. Emergency Contact. Each commercial cannabis business shall provide the City Manager or his/her designee(s) with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.

H. Signage and Notices.

1. In addition to the requirements otherwise set forth in this section, business identification signage for a commercial cannabis business shall conform to the requirements of the Hanford Municipal Code, including, but not limited to, seeking the issuance of a city sign permit.

2. No signs placed on the premises of a commercial cannabis business shall obstruct any entrance or exit to the building or any window.

3. Each entrance to a commercial cannabis business 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 commercial cannabis business is prohibited.

4. Business identification signage shall be limited to that needed for identification only, and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No commercial cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the commercial cannabis business or elsewhere including, but not limited to, the public right-of-way.

5. Signage shall not be directly illuminated, internally or externally. No banners, flags, billboards or other prohibited signs may be used at any time.

6. Holders of commercial cannabis business permits agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the holder of the permit shall be prohibited from advertising any commercial cannabis business located in the City of Hanford utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the state. This paragraph is not intended to place limitations on the ability of a commercial cannabis business to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.

I. Minors.

1. Persons under the age of twenty-one (21) years shall not be allowed on the premises of a commercial cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It is unlawful and a violation of this chapter for any person to employ any person at a commercial cannabis business who is not at least twenty-one (21) years of age.

2. Notwithstanding Section 5.56.280 I.1., persons aged 18 to 20 years shall be allowed on the premises of a commercial cannabis business if they can produce a physician's recommendation. In that event, such persons can lawfully purchase cannabis for the sole purpose of addressing the medical need that is the subject of the physician's recommendation.

3. The entrance to the commercial cannabis business 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 commercial cannabis business.

J. Odor Control. Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from cannabis are not detectable off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the commercial cannabis business 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 commercial cannabis business. As such, commercial cannabis businesses must install and maintain the following equipment, or any other equipment which the City Manager or his/her designee(s) determine is a more effective method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;

2. An air system that creates negative air pressure between the commercial cannabis business's interior and exterior, so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.

K. Display of Permit and City Business License. The original copy of the commercial cannabis business permit issued by the city pursuant to this chapter and the city issued business license shall be posted inside the commercial cannabis business in a location readily-visible to the public.

L. Background Check. Pursuant to California [Penal Code](#) Sections 11105(b)(11) and 13300(b)(11), 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 commercial cannabis business must submit

fingerprints and other information deemed necessary by the chief of police or designee(s) for a background check by the Hanford police department. Pursuant to California [Penal Code](#) Sections 11105(b)(11) and 13300(b)(11), 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 permit to operate a commercial cannabis business or a related work permit unless they have first cleared the background check, as determined by the chief of police or designee(s), as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the city of Hanford to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business permit is submitted.

M. Loitering. The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.

N. Permits and Other Approvals. Prior to the establishment of any commercial cannabis business or the operation of any such business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.

O. If a commercial cannabis business permittee is operating as a collective or cooperative under [Health and Safety Code](#) Section 11362.775, subdivision (a), members of the applicant authorized to possess cannabis shall sign an agreement with the commercial cannabis business which states that members shall not distribute cannabis or cannabis products to non-members or in violation of the “Memorandum for all United States Attorneys,” issued by the United States Department of Justice, from James M. Cole, Deputy Attorney General and any other applicable state and federal laws, regulations, or guidelines.

P. If the commercial cannabis business permittee is operating as a collective or cooperative under [Health and Safety Code](#) Section 11362.775, subdivision (a), the commercial cannabis business shall terminate the membership of any member violating any of the provisions of this chapter.

5.56.300 Operational requirements.

The City Manager or his/her designee(s) may develop other commercial cannabis business operational requirements or regulations as are determined to be necessary to protect the public health, safety and welfare.

5.56.310 Operating requirements for dispensaries/storefront retail facilities.

- A. No more than the number of cannabis retailers adopted by resolution may operate within the City of Hanford at any one time and shall be issued a permit by the City of Hanford.
- B. Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of eighteen (18) years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer’s possession of a valid doctor’s recommendation and/or identification card (Medical Cannabis Card) pursuant to Health & Safety Code Section 11362.71. For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.

- C. Entrances into the retailer shall be strictly controlled in a manner approved by the Chief of Police or his/her designee(s). Individuals 18-21 years of age must show their physician's recommendation to gain access. Physician's recommendations are not to be obtained or provided at the retail location.
- D. Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. Security personnel may be allowed to carry firearms if authorized by the Chief of Police.
- E. Retailers may have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on-site in the retail sales area of the retailer. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.
- F. All restroom facilities shall remain locked and under the control of management.
- G. Retailers and microbusinesses authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this division.
 - 1. All cannabis goods sold by a retail business shall be contained in child-resistant packaging.
 - 2. Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.
 - 3. A retail licensee or microbusiness licensee who is engaged in retail sale shall hire or contract for security personnel who are at least 21 years of age to provide security services for the licensed retail premises. All security personnel hired or contracted for by the licensee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.
- H. Access to Retailer Premises.
 - 1. Access to the premises of a retail licensee/permittee shall be limited to individuals who are at least 21 years of age.
 - 2. Notwithstanding Section 5.56.310 (H)(1), individuals who are at least 18 years of age and in possession of a valid physician's recommendation shall be granted access to the premises of a retail licensee/permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.
- I. Authorized Sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician's recommendation. Medicinal cannabis sales to individuals 21 years of age and older are unrestricted.
- J. Limited Access Areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals

employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the licensee/permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the City Manager or his/her designee(s) upon request.

- K. Microbusiness – Commercial Activity. All cultivation, manufacturing, distribution, and retail activities performed by a licensee under a Type 12-Microbusiness permit shall occur on the same licensed premises. Areas of the premises for manufacturing and cultivation shall be separated from the distribution and retail areas by a wall and all doors between the areas shall remain closed when not in use.
- L. Operating hours of the Store Front Retailer License shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.
- M. Store Front/Retail Security Requirements. All provisions incorporated within Section 5.56.250 of this Chapter (Security Measures), are directly applicable to and binding on all commercial cannabis businesses, including all Store Front/Retail businesses.

5.56.320. Operating requirements for delivery services.

Prior to commencing operations, a cannabis 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 City Manager or his/her designee(s) with evidence of a valid state license for a commercial 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 City Manager or his/her designee(s), directly or via the jurisdiction from which the business has received an operating permit, the names and driver's license numbers of all the business' delivery drivers, and evidence verifying that criminal background checks have been conducted for all the business' drivers.
- (4) The retail business operating the delivery service shall furnish to the City Manager or his/her designee(s) 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.

5.56.330 Operating requirements for non-storefront retail.

- A. Non-Store Front Retailer (Delivery) License Owners and Operators are required to verify the age and the necessary documentation of each medical customer to ensure the customer is not under the

age of eighteen (18) years, and to verify that the potential customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the retail location.

- B. All Store Front Retailers, Non-Store Front Retailers (delivery) and Microbusinesses which conduct deliveries into or within the City of Hanford shall be required to obtain a permit from the City of Hanford in order to conduct retail sales regardless if they are located in the city or another local jurisdiction.
- C. Operating hours of the Non-Store Front Retailer License shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.
- D. The commercial Non-Store Front Retailer shall only sell cannabis or cannabis products to a person 21 years of age or older, or a natural person 18 years of age or older who possesses a physician's recommendation for medical cannabis use only.
- E. Except as otherwise provided herein, the commercial cannabis non-storefront retailer may only have on site that quantity of cannabis and cannabis products reasonably anticipated to meet the weekly demand for which they may need to be readily available for sale.
 - a. The commercial cannabis non-store front dispensary may store additional product on-site if they meet the following requirements.
 - b. Product must be secured in a locked vault to which customers, visitors and vendors shall not have access.
 - c. Must have 24-hour security.
 - d. All product must be entered into the state mandated track and trace system.
 - e. Excess product storage shall not exceed the amount that would typically be used in a 6 week period.
 - f. Separate security plan for the additional product being stored shall be approved by the Chief of Police or his/her designee.

5.56.340 Operating requirements for cultivation facilities.

- A. Outdoor Cultivation Prohibited. The cultivation of all cannabis must occur indoors. All outdoor cultivation is prohibited.
- B. In no case, shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.
- C. If a commercial cannabis cultivation is permitted in the city of Hanford then it shall only be allowed to cultivate the square feet of canopy space permitted by state law.
- D. Cannabis cultivation shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.
- E. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.
- F. The cultivation of cannabis shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the commercial cannabis business, visitors to

the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis.

G. All applicants for a cannabis cultivation permit shall submit the following in addition to the information generally otherwise required for a commercial cannabis business:

1. A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities (indoor, mixed-light) and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting (indoor, mixed-light).
2. A description of a legal water source, irrigation plan, and projected water use.
3. Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.
4. Plan for addressing odor and other public nuisances which may derive from the cultivation site.

5.56.350 Cannabis manufacturing—Edibles and other cannabis products—Sale or distribution of edible and other cannabis products.

The manufacturing of food or other products infused with or which otherwise contain cannabis may be manufactured within the appropriate manufacturing zoning districts as described in Title 17, subject to the regulations set forth in this chapter, and subject to whatever additional regulations may be promulgated hereunder by an ordinance or resolution of the City Council.

5.56.360 Packaging and labeling.

A. Before a commercial cannabis manufacturer delivers any edible cannabis or edible cannabis product to a dispensary, the same shall be labeled and placed in tamper-evident packaging which at least meets the requirements of California [Business and Professions Code](#) Section 19347, as the same may be amended from time to time or superseded or replaced by subsequent state legislation or by any department or division of the state of California.

B. All items to be sold or distributed shall be individually wrapped at the original point of preparation by the business permitted as a commercial cannabis manufacturer.

C. Labeling must include a warning if nuts or other known allergens are used, and must include the total weight (in ounces or grams) of cannabis in the package.

D. A warning that the item is a medication and not a food must be clearly legible on the front of the package and/or must comply with state packing requirements.

E. The package must have a label warning that the product is to be kept away from children.

F. The label must also state that the product contains cannabis and must specify the date of manufacture.

G. Any edible cannabis product that is made to resemble a typical food product must be in a properly labeled opaque (non-see-through) package before it leaves the commercial cannabis manufacturing business.

H. Deliveries must be in a properly labeled opaque package when delivered.

I. The City Council may impose additional packaging and labeling requirements on cannabis or cannabis products by resolution, as permitted by law.

5.56.370 Operating requirements for cannabis manufacturing (levels one and two)—Extraction, etc.

A. Cannabis manufacturing facilities requiring a Type 6 or Type 7 state license (using non-volatile and volatile solvents) as defined in [Business and Professions Code](#) Section 19341, may be permitted to operate within those zone districts as defined in Title 17 of the city of Hanford Municipal Code.

B. Any compressed gases used in the manufacturing process shall not be stored on any property within the city of Hanford in containers that exceeds the amount which is approved by the fire department and authorized by the regulatory permit. Each site or parcel subject to a commercial cannabis business permit shall be limited to a total number of tanks as authorized by the fire department on the property at any time.

C. Cannabis manufacturing facilities may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human-related toxicity approved by the community development department. These solvents must be of at least ninety-nine percent (99%) purity and any extraction process must use them in a professional grade closed loop extraction system designed to recover the solvents, work an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.

D. If an extraction process uses a professional grade closed loop CO₂ gas extraction system where every vessel is certified by the manufacturer for its safe use as referenced in subsection F. The CO₂ must be of at least ninety-nine percent (99%) purity.

E. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

F. Certification from an engineer licensed by the state of California must be provided to the community development department for a professional grade closed loop system used by any commercial cannabis manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including, but not limited to:

1. The American Society of Mechanical Engineers (ASME);
2. American National Standards Institute (ANSI);
3. Underwriters Laboratories (UL); or
4. The American Society for Testing and Materials (ASTM).

G. The certification document must contain the signature and stamp of the professional engineer and serial number of the extraction unit being certified.

H. Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the fire department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.

I. Cannabis manufacturing facilities may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

J. Cannabis manufacturing facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. All ethanol must be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

K. Cannabis manufacturing facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

L. Any person using solvents or gases in a closed loop system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.

M. Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

5.56.372 Operating requirements for Distributors.

- A. A distributor shall not store non-cannabis goods or non-cannabis accessories that are to be sold to another party on any licensed premises. Additionally, a distributor shall not distribute non-cannabis goods or non-cannabis accessories at a licensed premise. For the purposes of this section, non-cannabis goods are any goods that do not meet the definition of cannabis goods as defined in Title 16, Section 5000(c) of the California Code of Regulations.
- B. After taking physical possession of a cannabis goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.
- C. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.
- D. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.
- E. A distributor or an employee of the distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded, and the recording kept available to state and local authorities for a minimum of 180 days, pursuant to Section Title 16, 5305 of the California Code of Regulations.
- F. A distributor shall not transport cannabis or cannabis products to a licensed retail facility until and unless it has verified that the cannabis or cannabis products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Title 16, Sections 5705, 5710 and 5714 of the California Code of Regulations.

5.56.374 Operating requirements for Testing Laboratories.

- A. Testing Labs shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each Testing Lab shall be subject to additional regulations as determined from time to time as more regulations

are developed under this Chapter and any subsequent State of California legislation regarding the same.

- B. Testing Labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.
- C. All cannabis testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Bureau of Cannabis Control.
- D. Testing labs shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the Bureau unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the bureau.
- E. Each operator shall ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by state law and that the testing laboratory employee transports the sample to the testing laboratory.
- F. Except as provided by state law, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol as established in approved security measures by the Chief of Police.
- G. A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver presents the qualified patient's valid physician's recommendation for cannabis for medicinal purpose. A testing lab shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the cannabis or cannabis products received.

5.56.376 Operating requirements for Microbusinesses.

Microbusinesses must comply with the local operating requirements and all requirements imposed by state law that apply to the specific activities operating under the umbrella of the individual microbusiness.

- A. Outdoor Commercial Cultivation is prohibited.
- B. In no case, shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.
- C. Commercial cannabis cultivation which is permitted in the City of Hanford shall not exceed 10,000 square feet of canopy space permitted by state law as part of a microbusiness license.
- D. Cannabis cultivation shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.

- E. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.
- F. The cultivation of cannabis shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the commercial cannabis business, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis.
- G. All applicants for a cannabis cultivation permit shall submit to the following in addition to the information generally otherwise required for a commercial cannabis business:
 - (1) A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting.
 - (2) A description of a legal water source, irrigation plan, and projected water use.
 - (3) Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.
 - (4) Plan for addressing odor and other public nuisances that may derive from the cultivation site.

5.56.380 Promulgation of regulations, standards and other legal duties.

A. In addition to any regulations adopted by the City Council, the City Manager or his/her designee(s) is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of commercial cannabis business permits, the ongoing operation of commercial cannabis businesses and the city's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.

B. Regulations shall be published on the city's website.

C. Regulations promulgated by the City Manager shall become effective upon date of publication. Commercial cannabis businesses 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 City Manager or his/her designee(s).

D. Testing labs, transporters and distribution facilities shall be subject to state law and shall be subject to additional regulations as determined from time to time as more regulations are developed under subsection A.

5.56.390 Community relations.

A. Each commercial cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the commercial cannabis business can be provided. Each commercial cannabis business shall also provide the above information to all businesses and residences located within one hundred (100) feet of the commercial cannabis business.

B. During the first year of operation pursuant to this chapter, the owner, manager, and community relations representative from each commercial cannabis business holding a permit issued pursuant to this chapter shall attend a quarterly meeting with the City Manager or his/her designee(s) and other interested parties as deemed appropriate by the City Manager, to discuss costs, benefits, and other community issues arising as a result of implementation of this chapter. After the first year of operation, the owner, manager, and community relations representative from each such commercial cannabis business shall meet with the City Manager or his/her designee(s) when and as requested by the City Manager or his/her designee(s).

C. Commercial cannabis businesses to which a permit is issued pursuant to this chapter 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.

5.56.400 Fees deemed debt to city of Hanford.

The amount of any fee, cost or charge imposed pursuant to this chapter shall be deemed a debt to the city of Hanford that is recoverable via an authorized administrative process as set forth in the municipal code, or in any court of competent jurisdiction.

5.56.410 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 of Hanford, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence.

5.56.420 Inspection and enforcement.

A. Representatives of the City, charged with enforcing the provisions of the Hanford Municipal Code, or any provision thereof, may enter the location of a commercial cannabis business at any time, without notice, and inspect the location of any commercial cannabis business as well as any recordings and records required to be maintained pursuant to this chapter or under applicable provisions of state law.

B. It is unlawful for any person having responsibility over the operation of a commercial cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the city to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law.

C. Representatives of the City, charged with enforcing the provisions of this chapter may enter the location of a commercial cannabis business at any time during the hours of operation and without notice

to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the city of Hanford shall be logged, recorded, and maintained in accordance with the Hanford Police department standards for evidence.

5.56.430 Concurrent regulation with state.

It is the stated intent of this chapter to regulate commercial cannabis activity in the city of Hanford concurrently with the state of California.

5.56.440 Violations declared a public nuisance.

Each and every violation of the provisions of this chapter is hereby deemed unlawful and a public nuisance per se. The nuisance abatement remedies and procedures identified in Chapter 17.94, which are incorporated herein by reference, shall apply to nuisances existing under this Chapter 5.56.

5.56.450 Each violation a separate offense.

Each and every violation of this chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Hanford Municipal Code or by state law. Each day a violation is committed or permitted to continue shall constitute a separate violation. Additionally, as a nuisance per se, any violation of this chapter shall be subject to injunctive relief, any permit issued pursuant to this chapter being deemed null and void, disgorgement and payment to the city of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The city of Hanford may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis business or persons related to, or associated with, the commercial cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the City Manager or his/her designee(s) may take immediate action to temporarily suspend or revoke a commercial cannabis business permit issued by the city, pending a hearing before the City Council or its designee.

5.56.460 Criminal penalties.

Each and every violation of the provisions of this chapter may be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000.00) or imprisonment in the County Jail for a period of not more than twelve (12) months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense. (Ord. 17-08 § 2, 2017)

5.56.470 Administrative penalties and costs.

In addition to any other remedy available at law, an administrative citation may be issued to any person or entity who violates this chapter.

A. Issuance of Citation.

1. Whenever the city's Police Chief, his/her designee, or a city Code Enforcement Officer determines that a violation of this chapter has occurred, the Police Chief, his/her designee, or a City Code Enforcement Officer shall have the authority to issue an administrative citation to any person or entity responsible for the violation.
2. Each administrative citation shall contain the following information:
 - i. The date of the violation or, if the date of the violation is unknown, then the date the violation is identified;
 - ii. The address or a definite description of the location where the violation occurred;
 - iii. The section of this chapter that was violated and a description of the violation;
 - iv. The amount of the fine for the violation;
 - v. A description of the fine payment process, including a description of the time within which and the place at which the fine shall be paid;
 - vi. An order prohibiting the continuation or repeated occurrence of the code violation described in the administrative citation;
 - vii. A description of the administrative citation review process, including the time within which the administrative citation may be contested and the place from which a request for hearing form to contest the administrative citation may be obtained; and
 - viii. The name and signature of the individual issuing the citation.

B. *Amount of Fines.*

1. The amounts of the administrative citation fines for violations of this chapter shall be set forth in a schedule of fines established by resolution of the City Council.
2. The schedule of fines shall specify any increased fines for repeat violations of the same code provision by the same person or entity.

C. *Payment of Fines.*

1. Fines shall be paid to the city within thirty (30) days from the date of the administrative citation.
2. Any administrative citation fine paid shall be refunded if it is determined, after an appeal hearing, that a person or entity charged in the administrative citation was not responsible for the violation or that there was no violation as charged in the citation.

3. Payment of a fine under this chapter shall not excuse, discharge, or permit any continuation or repeated occurrence of the code violation that is the subject of the administrative citation.

D. *Hearing Request.*

1. Any recipient of an administrative citation may appeal the citation by submitting a written request for hearing to the City Clerk or his/her designee within thirty (30) days from the date of the administrative citation, together with an advance deposit of the fine and appeal fee.
2. If the Police Chief, his/her designee, or a Code Enforcement Officer submits an additional written report concerning the administrative citation to the hearing body, then a copy of such report shall be served on the person requesting the hearing at least five (5) days prior to the date of the hearing.

E. *Hearing Procedure.*

1. The appeal procedures described in Section 5.56.160 shall apply to appeals involving administrative citations.
2. No hearing to contest an administrative citation shall be held unless the fine has been deposited with the city in advance.
3. At the hearing, the party contesting the administrative citation shall be given the opportunity to testify and to present evidence concerning the administrative citation.
4. The administrative citation and any additional report submitted by the Police Chief, his/her designee, or a Code Enforcement Officer shall constitute prima facie evidence of the respective facts contained in those documents.
5. The hearing body may continue the hearing and request additional information from the Police Chief, his/her designee, Code Enforcement Officer, or the recipient of the administrative citation prior to issuing a written decision.

F. *Hearing Body's Decision.*

1. After considering all of the testimony and evidence submitted at the hearing, the hearing body shall issue a written decision to uphold, modify, or cancel the administrative citation and shall list in the decision the reasons for the decision. The decision of the hearing body shall be final.
2. If the hearing body determines that the administrative citation should be upheld, then the fine amount on deposit with the city shall be retained by the city.
3. If the hearing body determines that the administrative citation should be canceled, then the city shall promptly refund the amount of the deposited fine.
4. If the hearing body determines that the fine levied under the administrative citation should be adjusted, then the city will promptly refund the amount of the deposited

fine that exceeds the amount fixed by the hearing body or the recipient of the administrative citation will promptly pay to the city an additional amount fixed by the hearing body if the body finds that the fine assessed under the administrative citation to be insufficient.

5. The recipient of the administrative citation shall be served with a copy of the hearing body's written decision.

G. *Late Payment Charges.*

Any person or entity who fails to pay to the city any fine imposed or amount owed pursuant to the provisions of this chapter on or before the date that the fine or amount is due shall also be liable for a late payment charge equal to ten percent (10%) of the unpaid amount, and interest shall accrue thereafter at a rate of one and one half percent (1.5%) per month on the unpaid fine; provided however, the additional penalty and/or interest shall not apply if collection of the same by the city would violate State law.

H. *Recovery of Administrative Citation Fines and Costs.*

Any person or entity who violates this chapter shall be responsible for the enforcement costs incurred by the city with respect to such violation. The City may collect any past due administrative citation fines, enforcement and collection costs, and late payment charges by use of all available legal means. Collection costs shall be in addition to any interest and/or late charges imposed upon the delinquent obligation and shall be added to and become a part of the underlying obligation. Any partial payment of an obligation, when a partial payment is permitted, will be applied first to the principal amount of the underlying obligation, then to any penalties, and then to interest.

I. *Recovery of Administrative Citation Fines and Costs.*

Any person or entity who violates this Chapter shall be responsible for the enforcement costs incurred by the City with respect to such violation. The City may collect any past due administrative citation fines, enforcement and collection costs, and late payment charges by use of all available legal means, including, without limitation, the lien procedures identified in Sections 17.94.180 and 17.94.190 of this Code, which are incorporated herein by reference. Collection costs shall be in addition to any interest and/or late charges imposed upon the delinquent obligation and shall be added to and become a part of the underlying obligation. Any partial payment of an obligation, when a partial payment is permitted, will be applied first to the principal amount of the underlying obligation, then to any penalties, and then to interest.

J. *Right to Judicial Review.*

Any person or entity aggrieved by a decision of the hearing body on an administrative citation may obtain review of the decision by filing a petition for review with the Superior Court for Kings County, California in accordance with the timelines and provisions set forth in California Government Code Section 53069.4, as may be amended.

K. *Notices.*

The administrative citation and all notices required to be given by this chapter shall be served by personal delivery thereof to the person or entity to be notified or by deposit in the United States Mail, certified mail with return receipt requested, addressed to such person to be notified at his/her/its last-known address as the same appears in the public records or other records pertaining to the matter to which such notice is directed. Service by mail shall be deemed to have been completed at the time of deposit in the mail.

5.56.480 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.

RESOLUTION NO. 19-45-R

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD
AMENDING THE NUMBER OF COMMERCIAL CANNABIS BUSINESS
PERMITS IN ACCORDANCE WITH SECTION 5.56.080 OF THE HANFORD
MUNICIPAL CODE.**

At regular meeting of the City Council of the City of Hanford duly called and held on December 3, 2019, it was moved by Council Member Sorensen, and seconded by Council Member Brieno, and carried that the following resolution be adopted:

WHEREAS, Resolution 17-43-R, 17-59-R, and 19-08-R were adopted establishing a number of Commercial Cannabis Business Permits for the City of Hanford in accordance with Section 5.56.080; and,

WHEREAS, the City Council has determined that allowing additional Commercial Cannabis Business Permits is in the best interest of the City of Hanford, while still allowing the City to address potential impacts to health, safety and welfare and to adequately address issues or impacts that may result from the regulation of the Cannabis industry; and,

WHEREAS, it has been determined that large scale cannabis businesses take considerable staff time for review and that the City does not have the staff to process in the same timeline as smaller or single cannabis applications and will be processed separately; and,

WHEREAS, existing permittees of Cannabis permits may process an application for additional cannabis permits, subject to current City regulations and numbers, by submitting an application directly with the Community Development Director and processed as a site plan review, conditional use permit or amendment to existing conditional use permit as required by Title 17 of the City Municipal Code and approved by the Chief of Police; and,

WHEREAS, after awarding Cannabis permits for dispensaries, the City Council wished to consider awarding additional storefront dispensary permits in the future; and,

WHEREAS, the City of Hanford underwent a competitive application process for permits and wishes to establish a list for future permits, if they are considered; and,

NOW, THEREFORE, BE IT RESOLVED that the City Council finds that allowing additional Commercial Cannabis Business Permits is in the best interest of the City of Hanford and, in accordance with 5.56.080, establishes the following limits for the number of permits to be issued. The limitation on the number of permits shall remain in effect until changed by resolution of the City Council:

Cannabis Facilities (subject to award of permit)

- (1) Cultivation: unlimited

- (2) Manufacturing: unlimited
- (3) Transporting: unlimited
- (4) Lab Testing: unlimited
- (5) Distribution: unlimited
- (6) Micro-business: unlimited
- (7) Dispensaries (storefront): Two (2)
- (8) Dispensary (non-storefront): Two (2)
- (9) Cannabis Campus: unlimited (campuses limited to 16 permits year one, 10 permits year 2, and each subsequent year.

NOW THEREFORE BE IT FURTHER RESOLVED that the issuance of additional cannabis business permits is subject to the following:

1. That existing cannabis permittees in the City of Hanford may add additional cannabis permits through a streamlined process by paying all application fees for processing by the Community Development Director and Chief of Police and any entitlements required in Title 17.
2. That large scale cannabis business applications may be processed outside the application processing timeline.
3. That the list of eligible cannabis business permits for storefront dispensaries, Exhibit A, shall be good for a period of 24 months.
4. That City staff report to the City Council every January for evaluation if additional cannabis permits are warranted.

Passed and Adopted at a regular meeting of the City Council of the City of Hanford held on December 3, 2019, by the following vote:

AYES:	Council Member	<u>Sorensen, Brieno, Draxler, Ramirez, Devine</u>
NOES:	Council Member	<u>Ø</u>
ABSTAIN:	Council Member	<u>Ø</u>
ABSENT:	Council Member	<u>Ø</u>


 John Draxler
 MAYOR of the City of Hanford

Chapter 5.56 COMMERCIAL CANNABIS ACTIVITY.

5.56.010 Purpose and intent.

It is the purpose and intent of this chapter to accommodate the needs of medically-ill persons in need of cannabis for medical purposes, as advised and recommended by their health care provider(s), and to implement the Adult Use Cannabis Act which was passed by the voters of California while imposing regulations on the use of land to protect the city's neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this chapter to regulate the cultivation, manufacturing, processing, testing, transporting, delivery, and distribution of cannabis and cannabis-related products in a manner which is responsible, which protects the health, safety, and welfare of the residents of Hanford, and to enforce rules and regulations consistent with state law. In part to meet these objectives, an annual permit shall be required to own and/or to operate a commercial cannabis business within Hanford. Nothing in this chapter is intended to authorize the possession, use, or provision of cannabis for purposes which violate state or federal law. The provisions of this chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the city, and are in addition to any permits, licenses and approval required under state, county, or other law.

5.56.020 Legal authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, and the provisions of the Medical Cannabis Regulation and Safety Act (hereinafter "MCRSA"), and the Adult Use Cannabis Act (hereinafter "AUMA") the city of Hanford is authorized to adopt ordinances that establish standards, requirements and regulations for local licenses and permits for cannabis and cannabis-related activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the state of California, or any of its departments or divisions, shall be the minimum standards applicable in the city of Hanford to cannabis, and/or cannabis-related activity.

5.56.030 Cannabis cultivation and commercial cannabis business activities prohibited unless specifically authorized by this chapter.

Except as specifically authorized in this chapter, the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, dispensing, distribution, delivery, or sale of cannabis or cannabis product is expressly prohibited in the city of Hanford.

5.56.040 Compliance with state and local laws.

It is the responsibility of the owners and operators of the commercial cannabis business to ensure that it is, always, operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this chapter shall be construed as authorizing any actions which violate federal, state law or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and the 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 federal, state and local laws, the 2008 Attorney General Guidelines, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the commercial

cannabis business permit. Nothing in this chapter shall be construed as authorizing any actions which violate federal or state law regarding the operation of a commercial cannabis business.

5.56.050 Definitions.

When used in this chapter, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder, and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

“Bureau” means the Bureau of Cannabis Control within the California Department of Consumer Affairs.

“Cannabis” refers to “marijuana,” and means all parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether medical or nonmedical, 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” also means marijuana as defined by Section 11018 of the California [Health and Safety Code](#) as enacted by Chapter 14017 of the Statutes of 1972. “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 chapter, “cannabis” does not mean industrial hemp as that term is defined by Section 81000 of the California [Food and Agricultural Code](#) or Section 11018.5 of the California [Health and Safety Code](#).

“Cannabis business park” means a park or campus that is one contiguous commercial area of land which has many cannabis related businesses grouped together. Each individual business is clearly defined, having a unique entrance and immovable physical barriers between uniquely licensed premises.

“Cannabis concentrate” means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product’s potency.

“Cannabis product” means a product containing cannabis, including, but not limited to, manufactured cannabis intended to be sold for use by cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California [Health and Safety Code](#) (as the same may be amended from time to time) or pursuant to the Adult Use of Marijuana Act. For purposes of this chapter, “medical cannabis” does not include industrial hemp as defined by Section 81000 of the California [Food and Agricultural Code](#) or Section 11018.5 of the California [Health and Safety Code](#).

“Canopy” means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site.

“Caregiver” or “primary caregiver” has the same meaning as that term is defined in Section 11362.7 of the California [Health and Safety Code](#).

“City” or “city of Hanford” means the city of Hanford, a California general law city.

“Commercial cannabis activity” includes cultivation, manufacture, processing, laboratory testing, transporting, delivery, distribution, or sale of cannabis product, within the meaning of California [Business and Professions Code](#) Section 26001 and California [Business and Professions Code](#) Section 26050, et seq.

“Commercial cannabis business” means any business or operation which engages in cannabis activity.

“Commercial cannabis business permit” means a regulatory permit issued by the city of Hanford pursuant to this chapter to a commercial cannabis business, and is required before any commercial cannabis activity may be conducted in the city. The initial permit and annual renewal of a commercial cannabis business permit is made expressly contingent upon the business’ ongoing compliance with all of the requirements of this chapter and any regulations adopted by the city governing the commercial cannabis activity at issue.

“Cultivation” means any activity, whether occurring indoors or outdoors, involving the propagation, planting, growing, harvesting, drying, curing, grading, and/or trimming of cannabis plants or any part thereof for any purpose, including cannabis.

“Cultivation site” means a facility where cannabis is cultivated, propagated, planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, and where the operator holds a valid commercial cannabis business permit for cultivation from the city of Hanford and a valid state license to cultivate cannabis as required by state law.

“Delivery” means the commercial transfer of cannabis or cannabis products from a dispensary, up to an amount determined to be authorized by the state of California, or any of its departments or divisions, to anyone for any purpose. “Delivery” also includes the use by a dispensary of any technology platform owned, controlled, and/or licensed by the dispensary, or independently licensed by the state of California under the MCRSA or AUMA (as the same may be amended from time-to-time), that enables anyone to arrange for or facilitate the commercial transfer by a licensed dispensary of cannabis or cannabis products.

“Dispensary” means a commercial cannabis business facility 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 (whether fixed or mobile) 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 Hanford authorizing the operation of a dispensary, and a valid state license as required by state law to operate a dispensary.

“Dispensing” means any activity involving the retail sale of cannabis or cannabis products from a dispensary.

“Distribution” means the wholesale procurement, and sale, of cannabis or cannabis products between entities licensed pursuant to MCRSA, AUMA and any subsequent state of California legislation regarding the same.

“Distributor” means a person holding a valid commercial cannabis business permit for distribution issued by the city of Hanford, and, a valid state license for distribution, required by state law to engage in the business of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed dispensary.

“Dried flower” means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.

“Edible cannabis product” means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible cannabis product is not considered food as defined by Section 109935 of the California [Health and Safety Code](#) or a drug as defined by Section 109925 of the

California [Health and Safety Code](#). An edible cannabis product shall not be deemed to be adulterated pursuant to Section 19347.6 of the [Business and Professions Code](#) solely because it contains cannabis.

“Greenhouse” means a fully enclosed permanent structure that is clad in transparent material with climate control, such as heating and ventilation capabilities and supplemental artificial lighting, and that uses a combination of natural and supplemental lighting for cultivation.

“Live plants” means living cannabis flowers and plants, including seeds, sprouts, immature plants (including unrooted clones), and vegetative stage plants.

“Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.

“Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of manufactured cannabis, as defined in this section, or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container, where the operator holds a valid commercial cannabis business permit for manufacturing from the city of Hanford and, after January 1, 2018 or as soon as permitted by the state granting agency, department or division, a valid state license for manufacturing pursuant to MCRSA and/or AUMA. A manufacturer may also be a person that infuses cannabis in its products but does not perform its own extraction.

“Manufacturing site” means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid commercial cannabis business permit for manufacturing from the city of Hanford and, a valid state license as required for manufacturing of cannabis products.

“Microbusiness” shall have the same meaning as that contained in Section 26070(a)(3) of the Business and Professions Code of the State of California.

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

“Patient” or “qualified patient” shall have the same definition as California [Health and Safety Code](#) Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California [Health and Safety Code](#) Section 11362.5.

“Person” means an 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 includes the plural as well as the singular number.

“Person with an identification card” shall have the meaning given that term by California [Health and Safety Code](#) Section 11362.7.

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

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

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

1. Accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state.

2. Licensed by the Bureau of Cannabis Control, and is owned and operated by a person issued a valid commercial ~~medical~~ cannabis business permit for laboratory testing from the city of Hanford.

“Transport” means the transfer of cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized by the MCRSA and/or AUMA.

“Transporter” means a person issued a state license, and a commercial cannabis business permit by the city of Hanford, authorizing the transport of cannabis or cannabis products in amounts authorized by the state of California, or by one of its departments or divisions under the MCRSA and/or AUMA.

5.56.060 Commercial cannabis business permit required to engage in commercial cannabis business.

A. No person may engage in any commercial cannabis business or activity within the city of Hanford including cultivation, manufacture, processing, laboratory testing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the person: (1) has a valid commercial cannabis business permit from the city of Hanford; and (2) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial cannabis business or activities, including the duty to obtain any required state licenses.

B. Until **Health and Safety Code** Section 11362.775, subdivision (a), is repealed, the city intends that person’s eligible to operate collectives or cooperatives under that subdivision shall be eligible to apply for a city permit to conduct commercial cannabis activities, but only to the degree those activities are authorized under state law for collectives and cooperatives. When the **Health and Safety Code** Section 11362.775, subdivision (a), is repealed, or as soon as collectives and cooperatives are no longer permitted to engage in commercial cannabis activity under state law, any city permit holder operating a commercial cannabis business under a collective or cooperative who has not already obtained a state license for the commercial cannabis activities they are engaged in shall automatically forfeit his or her city commercial cannabis business permit. At that point, they shall no longer be authorized to engage in any commercial cannabis activities in the city until they obtain both a city issued commercial cannabis business permit and a state license for that commercial cannabis activity.

5.56.070 Cannabis employee permit required.

A. Any person who is an employee or who otherwise works or volunteers within a commercial cannabis business must be legally authorized to do so under applicable state law. Employees, workers, or volunteers at businesses that are permitted by the city of Hanford as cannabis business cultivators, manufacturers, distributors, or delivers that are operating pursuant to **Health and Safety Code** Section 11362.775(a) as collectives or cooperatives until that subsection is repealed must be qualified patients or primary caregivers as required by state law.

B. Any person who is an employee or who otherwise works or volunteers within a commercial cannabis business must obtain a commercial cannabis employee work permit from the city prior to performing any work at any commercial cannabis business.

C. Applications for a commercial cannabis employee work permit shall be developed and made available by the chief of police or designee(s), and shall include, but not be limited to, the following information:

1. Name, address, and phone number of the applicant;
2. Age and verification of applicant. A copy of a birth certificate, driver's license, government issued identification card, passport or other proof that the applicant is at least twenty-one (21) years of age must be submitted with the application;
3. Name, address of the commercial cannabis businesses where the person will be employed, and the name of the primary manager of that business;
4. A list of any crimes enumerated in California [Business and Professions Code](#) Section 26507(b)(4) for which the applicant has been convicted;
5. Name, address, and contact person for any previous employers from which the applicant was fired, resigned, or asked to leave and the reasons for such dismissal or firing;
6. The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the chief of police or designee(s);
7. A signed statement under penalty of perjury that the information provided is true and correct;
8. If applicable, verification that the applicant is a qualified patient or primary caregiver;
9. A fee paid in an amount set by resolution of the city council in an amount necessary to cover the costs of administering the employee work permit programs. The fee is non-refundable and shall not be returned in the event the work permit is denied or revoked.

D. The chief of police or designee(s) shall review the application for completeness, shall conduct a background check to determine whether the applicant was convicted of a crime or left a previous employer for reasons that show the applicant:

1. Has been convicted of a crime involving dishonesty, fraud or deceit, including but not limited to fraud, forgery, theft, or embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, respectively; or equivalent offenses in other states.
2. Has committed a felony or misdemeanor involving fraud, deceit, embezzlement; or
3. Was convicted of a violent felony, a crime of moral turpitude; or
4. The illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

Discovery of these facts showing that the applicant has been convicted of a crime involving dishonesty, fraud or deceit are grounds for denial of the permit. Where the applicant's sentence (including any term of probation, incarceration, or supervised release) for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is completed, such underlying conviction shall not be the sole ground for denial of a commercial cannabis work permit. Furthermore, an applicant shall not be denied a permit if the denial is based solely on any of the following: (i) a conviction for any crime listed in subsection (D)(4) for which the applicant has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the California [Penal Code](#); or (ii) a conviction that was subsequently dismissed pursuant to Section 1203.4, 1203.4a, or

1203.41 of the California **Penal Code** or any other provision of state law allowing for dismissal of a conviction.

E. The chief of police or designee(s) shall issue the commercial cannabis work permit or a written denial to the applicant within ninety (90) days of the date the application was deemed complete. Upon the request of a commercial cannabis business and while processing the application for a work permit, the chief of police or designee(s) may issue a temporary work permit for an employee if the business demonstrates to the chief of police or designee(s) that the employee is necessary for the operation of the business. The temporary permit may be immediately revoked by the chief of police or designee(s) upon determination that the applicant has failed the background check.

F. A work permit shall be valid for a twelve (12) month period and must be renewed on an annual basis. Renewal applications shall contain all the information required in subsection B including the payment of a renewal application fee in an amount to be set by resolution of the city council.

G. In the event a person changes employment from one commercial cannabis business in the city to another, the work permit holder shall notify the chief of police or designee(s) in writing of the change within ten (10) days, or the work permit shall be suspended or revoked and such person shall not be permitted to work at any commercial cannabis business in the city.

H. The city may immediately revoke the commercial cannabis work permit should the permit holder be convicted of a crime listed in subsections C and D or if facts become known to the chief of police or designee(s) that the permit holder has engaged in activities showing that he or she is dishonest.

I. The chief of police or designee(s) is hereby authorized to promulgate all regulations necessary to implement the work permit process and requirements.

J. The applicant may appeal the denial or revocation of a commercial cannabis work permit by filing a notice of appeal with the city clerk within ten (10) days of the date the applicant received the notice of denial, which appeal shall be conducted as set forth in Section 5.56.140 of this chapter.

K. The chief of police or designee(s) shall issue a permit in the form of a personal identification card that can be worn by the employee. The personal identification card shall be worn approximately chest-high on their outermost garment, in a prominent and visible location. The identification card shall be maintained in good and readable condition at all times.

5.56.080 Maximum number and type of authorized commercial cannabis businesses permitted.

The number of each type of commercial cannabis business that shall be permitted to operate in the city shall be established by resolution of the city council.

A. This section is only intended to create a maximum number of commercial cannabis businesses that may be issued permits to operate in the city under each category. Nothing in this chapter creates a mandate that the city council must issue any or all of the commercial cannabis business permits if it is determined that the applicants do not meet the standards which are established in the application requirements or further amendments to the application process.

B. Each year following the city council's initial award of permits, if any, or at any time in the city council's discretion, the city council may reassess the number of commercial cannabis business permits which are authorized for issuance. The city council, in its discretion, may determine by resolution that the number of commercial cannabis permits should stay the same, or be expanded.

5.56.090 Initial application procedure.

A. The city council shall adopt by resolution the procedures which will govern the application process, and the manner in which the decision will ultimately be made regarding the issuance of any commercial cannabis business permit(s). The ~~resolution shall authorize the community development director~~ City Manager or his/her designee(s) or designee(s) is hereby authorized to prepare the necessary forms, adopt any necessary rules to the application, regulations and processes, solicit applications, conduct initial evaluations of the applicants, and to ultimately select the applicant(s) that will be awarded a permit, provide a final recommendation to the city council.

B. At the time of filing, each applicant shall pay an application fee established by resolution of the city council, to cover all costs incurred by the city in the application process.

C. After the initial review, the ~~community development director~~ City Manager or his/her designee(s) will make a selection for the applicant(s) to be awarded a permit based upon the available permits and the ranking of the applicants during the review process. ~~director or designee(s) will make a recommendation to the city council, and the city council shall make a final determination in accordance with this section.~~

D. The City's Reservation of Rights. The city reserves the right to reject any or all applications. The city may also modify, postpone, or cancel any request for applications, or the entire program under this title, at any time without liability, obligation, or commitment to any party, firm, or organization. Persons submitting applications assume the risk that all or any part of the 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 any other justification provided, a failure to comply with other requirements in this chapter, an application risks being rejected for any of the following reasons:

1. Proposal received after designated time and date.
2. Proposal not containing the required elements, exhibits, nor organized in the required format.
3. Proposal considered not fully responsive to this request for permit application.
4. Proposal contains excess or extraneous material not called for in the request for permit application.

5.56.100 Expiration of commercial cannabis business permits.

Each commercial cannabis business permit issued pursuant to this chapter shall expire twelve (12) months after the date of its issuance. Commercial cannabis permits may be renewed as provided in Section 5.56.120.

5.56.110 Revocation of permits.

Commercial cannabis business permits may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to this chapter.

5.56.120 Renewal applications.

- A. An application for renewal of a commercial cannabis business permit shall be filed at least ~~Thirtysixty~~ (360) calendar days prior to the expiration date of the current permit.
- B. The renewal application shall contain all the information required for new applications.
- C. The applicant shall pay a fee in an amount to be set by the city council to cover the costs of processing the renewal permit application, together with any costs incurred by the city to administer the program created under this chapter.
- D. An application for renewal of a commercial cannabis business permit ~~shall~~ may be rejected if any of the following exists:
1. The application is filed less than ~~thirtysixty~~ (360) days before its expiration.
 2. The commercial cannabis business permit is suspended or revoked at the time of the application.
 3. The commercial cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
 4. The commercial cannabis business has failed to conform to the requirements of this chapter, or of any regulations adopted pursuant to this chapter.
 5. The permittee fails or is unable to renew its state of California license.
 6. If the city or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this chapter, of the city's municipal code, or of the state rules and regulations, and the city or state has determined that the violation is grounds for termination or revocation of the commercial cannabis business permit.
- E. The ~~community development director~~ City Manager or his/her designee(s) or designee(s) is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the ~~community development director~~ City Manager or his/her designee(s) or designee(s) is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the ~~community development director~~ City Manager or his/her designee(s) or designee(s) shall be handled pursuant to Section 5.56.140.
- F. If a renewal application is rejected, a person may file a new application pursuant to this chapter no sooner than one year from the date of the rejection. An application may be approved, conditionally approved, corrected or rejected at the discretion of the community development director City Manager or his/her designee(s) or his/her designee. Any correction required for a conditionally approved application must be done in a timely manner as set forth by the community development director City Manager or his/her designee(s) or his/her designee.

5.56.130 Effect of state license suspension, revocation, or termination.

Suspension of a license issued by the state of California, or by any of its departments or divisions, shall immediately suspend the ability of a commercial cannabis business to operate within the city, until the state of California, or its respective department or division, reinstates or reissues the state license. Should the state of California, or any of its departments or divisions, revoke or terminate the license of a commercial cannabis business, such revocation or termination shall also revoke or terminate the ability of a commercial cannabis business to operate within the city of Hanford.

5.56.140 Appeals.

Unless specifically provided elsewhere to the contrary, ~~whenever~~ an appeal of a City decision or action occurring under ~~is provided for in this chapter from a decision of the chief of police or community development director or designee(s), the appeal~~ shall be conducted as prescribed ~~in this section~~hereinafter.

5.56.150 Written request for appeal.

A. Within ten (10) calendar days after the date of a decision or action of the City Manager or his/her designee(s)~~chief of police or community development director or designee(s)~~ ~~to revoke, suspend or deny a permit, or to add conditions to a permit~~occurring pursuant to this chapter, an aggrieved party may appeal such action by filing a written appeal with the city clerk setting forth the reasons why the decision was not proper. The failure to file a timely appeal shall constitute the failure to exhaust administrative remedies.

B. At the time of filing the appellant shall pay the designated appeal fee, established by resolution of the city council from time to time.

5.56.160 Appeal hearing process.

A. Upon receipt of the written appeal, the city clerk shall set the matter for a hearing before the city council or its designee. The city council or its designee shall hear the matter de novo, ~~and shall conduct the hearing pursuant to the procedures set forth by the city.~~

B. The appeal shall be held within a reasonable time after the filing the appeal, but in no event later than ninety (90) days from the date of such filing. The city shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.

C. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.

D. The failure of an appealing party to appear at the appeal hearing shall constitute a failure to exhaust his/her/its/their administrative remedies.

~~DE.~~ At the conclusion of the hearing the city council or its designee may affirm, reverse or modify the decision appealed. The decision of the city council shall be final.

F. Following the appeal hearing, an aggrieved party may seek judicial review of the City Council or its designee's appeal decision by filing a complaint with the Superior Court of Kings County, California during the period identified by California Code of Civil Procedure Section 1094.6, as may be amended.

5.56.170 Permittee selection process.

A. The ~~Community Development Director~~ City Manager or his/her designee(s) or his/her designee shall develop procedures and review criteria by which the applicants for a commercial cannabis business permit shall be evaluated. ~~The city council shall adopt by resolution a procedure~~

guideline by which the top applicants in each category of each commercial cannabis business will be presented to the city council for a final determination at a public hearing.

B. ~~Applications shall be vetted by the Community Development Director~~City Manager or his/her designee(s) ~~or his/her designee~~ and a committee of his/her choice or his/her designee's choice. At the conclusion of the vetting process, the committee shall prepare a report ranking the applications and submit that report for consideration to the ~~Community Development Director~~City Manager or his/her designee(s). The recommendations shall include a summary of the concerns which need to be mitigated by the applicant prior to the issuance of the permit. ~~The top final applicants for each category may be invited to attend the city council meeting, where they may be expected to make a public presentation introducing their team and providing an overview of their proposal. In order to provide adequate time, presentations may be divided over more than one meeting over multiple days as determined to be necessary.~~

C. At least ~~twenty~~^{en} (240) days prior to the ~~selection of the applicants~~hearing, notice ~~of the hearing~~ shall be sent to all property owners located within five hundred (500) feet of the proposed business locations of each of the finalists to be considered. ~~by the city council.~~

D. The ~~community development director~~City Manager or his/her designee(s) ~~city council~~ shall either deny or approve the final candidates ~~and shall select the top candidates in each category of the commercial cannabis businesses. The decision of the community development director~~City Manager or his/her designee(s) shall be subject to appeal in accordance with the appeal provisions of this chapter. ~~The city council's decision as to the selection of the prevailing candidates shall be final.~~

E. Official issuance of the commercial cannabis business permit(s), however, is conditioned upon the prevailing candidate(s) obtaining all required land use approvals. Following the council's selection, the prevailing candidate(s) shall apply to the city's community development department to obtain any required land use approvals or entitlements for the permittee's location, if any. Land use approvals shall include compliance with all applicable provisions of CEQA. The ~~City Manager or his/her designee(s) chief of police or designee(s)~~ shall formally issue the commercial cannabis business permit(s) once the ~~e~~Community ~~d~~Development ~~d~~Director or his/her designee(s) affirms that all of the required land use approvals have been obtained.

F. Issuance of a commercial cannabis business permit does not create a land use entitlement. The commercial cannabis business permit shall only be for a term of twelve (12) months, and shall expire at the end of the twelve (12) month period unless it is renewed as provided herein. Furthermore, no permittee may begin operations, notwithstanding the issuance of a permit, unless all of the state and local laws and regulations, including, but not limited to, the requirements of this chapter and of the permit, have been complied with.

G. Notwithstanding anything in this chapter to the contrary, the city council reserves the right to reject any or all applications if it determines it would be in the best interest of the city, taking into account any health, safety and welfare impacts on the community. Applicants shall have no right to a commercial cannabis business permit until a permit is actually issued, and then only for the duration of the permits term. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the city council may terminate or delay the program created under this chapter.

H. If an application is denied, a new application may not be filed for one year from the date of the denial.

I. Each ~~person-applicant~~ granted a commercial cannabis business permit shall be required to pay the permit fee established by resolution of the city council, to cover the costs of administering the commercial cannabis business permit program created in this chapter.

5.56.180 Change in location—Updated registration form.

A. Any time the dispensing, cultivation, manufacturing, transportation and distribution location specified in the regulatory permit is changed, the applicant shall re-register with the ~~chief of police~~City Manager or his/her designee(s). The process and the fees for re-registration shall be the same as the process and fees set forth for registration in Sections 5.56.090 and 5.56.120.

B. Within fifteen (15) calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of this chapter, including any change in the commercial cannabis business ownership or management members, the applicant shall file an updated registration form with the ~~chief of police~~City Manager or his/her designee(s) or ~~designee(s)~~ for review along with a registration amendment fee, as set forth in Sections 5.56.090 and 5.56.120.

5.56.185 Sale and assignment of license.

No commercial cannabis business permit may be sold, assigned, or otherwise transferred without the approval of the ~~Community Development Director~~City Manager or his/her designee(s). As a condition of approval, the proposed purchaser, assignee, or transferee of a commercial cannabis business permit shall undergo the application and approval process described in Section 5.56.090 above.

5.56.190 City business license.

Prior to commencing operations, a commercial cannabis business shall obtain a city of Hanford business license.

5.56.200 Building permits and inspection.

Prior to commencing operations, a commercial cannabis business 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, health department approvals and other zoning and land use permit(s) and approvals.

5.56.210 Certification from the ~~community development director~~City Manager or his/her designee(s).

Prior to commencing operations, a commercial cannabis business must obtain a certification from the ~~community development director~~City Manager or his/her designee(s) or ~~designee(s)~~ certifying that the business is located on a site that meets all of the requirements of Title 17 of the city's municipal code.

5.56.220 Right to occupy and to use property.

As a condition precedent to the city's issuance of a commercial cannabis business permit pursuant to this chapter, any person intending to open and to operate a commercial cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from another person, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this chapter and consents to the operation of the commercial cannabis business on the owner's property.

5.56.230 Limitations on city's liability.

To the fullest extent permitted by law, the city of Hanford shall not assume any liability whatsoever with respect to having issued a commercial cannabis business permit pursuant to this chapter or otherwise approving the operation of any commercial cannabis business. As a condition to the approval of any commercial cannabis business permit, the applicant shall be required to meet all of the following conditions before they can receive the commercial cannabis business permit:

- A. They must execute an agreement, in a form approved by the city attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the city of Hanford, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the city's issuance of the commercial cannabis business permit, the city's decision to approve the operation of the commercial cannabis business or activity, the process used by the city in making its decision, or the alleged violation of any federal, state or local laws by the commercial cannabis business or any of its officers, employees or agents.
- B. Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by the city attorney.
- C. Reimburse the city of Hanford for all costs and expenses, including, but not limited to, attorney fees and costs and court costs, which the city of Hanford may be required to pay as a result of any legal challenge related to the city's approval of the applicant's commercial cannabis business permit, or related to the city's approval of a commercial cannabis activity. The city of Hanford may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

5.56.240 Records and recordkeeping.

- A. Each owner and operator of a commercial cannabis business shall maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a commercial cannabis business permit issued pursuant to this chapter), or at any time upon reasonable request of the city, each commercial cannabis business shall file a sworn statement detailing the number of sales by the commercial cannabis business during the previous twelve (12) month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid. On an annual basis, 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 Ccity mManager or his/her designee(s).

B. Each owner and operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in 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 chief of police or designee(s) upon a reasonable request.

C. Each commercial cannabis business shall maintain a record of all persons, patients, collectives and primary caregivers served by the commercial cannabis business, for a period of no less than four (4) years.

D. All commercial cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until purchase by or distribution to a qualified patient, primary caregiver for purpose or an adult twenty-one (21) years of age or older who qualifies to purchase cannabis as set forth in AUMA.

E. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA) regulations, each commercial cannabis business shall allow city of Hanford officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the city's request, unless otherwise stipulated by the city. The city may require the materials to be submitted in an electronic format that is compatible with the city's software and hardware.

5.56.250 Security measures.

A. A permitted commercial cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the commercial cannabis business. Except as may otherwise be determined by the ~~chief of police or designee(s)~~ City Manager or his/her designee(s), these security measures shall include, but shall not be limited to, all of the following:

1. Preventing 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.

2. Establishing limited access areas accessible only to authorized commercial cannabis business personnel.

3. Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants which are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss,

4. Installing twenty-four (24) hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the commercial cannabis business which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. The commercial cannabis business shall be responsible for ensuring that

the security surveillance camera's footage is remotely accessible by the chief of police or designee(s), and that it is compatible with the city's software and hardware. In addition, remote and real-time, live access to the video footage from the cameras shall be provided to the chief of police or designee(s). Video recordings shall be maintained for a minimum of forty-five (45) days, and shall be made available to the chief of police or designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the commercial cannabis business.

5. Sensors shall be installed to detect entry and exit from all secure areas.
 6. Panic buttons shall be installed in all commercial cannabis businesses.
 7. Having a professionally installed, maintained, and monitored alarm system.
 8. Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building.
 9. Security personnel shall be on-site twenty-four (24) hours a day or alternative security as authorized by the police chief or designee(s). Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the chief of police or designee(s), with such approval not to be unreasonably withheld.
 10. 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.
- B. Each commercial cannabis business shall identify a designated security representative/liaison to the city of Hanford, who shall be reasonably available to meet with the chief of police or designee(s) regarding any security related measures or any operational issues.
- C. As part of the application and permitting process each commercial cannabis business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.
- D. The commercial cannabis business shall cooperate with the city whenever the chief of police or designee(s) makes a request, upon reasonable notice to the commercial cannabis business, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter.
- E. A commercial cannabis business shall notify the chief of police or designee(s) 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 chief of police or designee(s).
 2. Diversion, theft, loss, or any criminal activity involving the commercial cannabis business or any agent or employee of the commercial cannabis business.
 3. The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the commercial cannabis business.
 4. Any other breach of security.

5.56.260 Restriction on alcohol sales.

No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the commercial cannabis business.

5.56.270 Fees and charges.

A. No person may commence or continue any commercial cannabis activity in the city, without timely paying in full all fees and charges required for the operation of a commercial cannabis activity. Fees and charges associated with the operation of a commercial cannabis activity shall be established by resolution of the city council which may be amended from time to time.

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

5.56.280 Miscellaneous operating requirements.

A. Commercial cannabis businesses may operate only during the hours specified in the commercial cannabis business permit issued by the city.

B. Restriction on Consumption. Cannabis shall not be consumed on the premises of any commercial cannabis businesses or elsewhere in the city of Hanford other than within private residences.

C. No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a commercial cannabis business permit, or on any of the vehicles owned or used as part of the commercial cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

D. Reporting and Tracking of Product and of Gross Sales. Each commercial cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business 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 commercial cannabis business shall ensure that such information is compatible with the city's record-keeping 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 chief of police or designee(s) prior to being used by the permittee.

E. All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the state and local regulations.

F. There shall not be a physician located in or around any commercial cannabis business at any time for the purpose of evaluating patients for the issuance of a cannabis recommendation or card where applicable.

G. Emergency Contact. Each commercial cannabis business shall provide the chief of police or designee(s) with the name, telephone number (both land line and mobile, if available) of an on-site employee or owner to whom emergency notice can be provided at any hour of the day.

H. Signage and Notices.

1. In addition to the requirements otherwise set forth in this section, business identification signage for a commercial cannabis business shall conform to the requirements of the Hanford Municipal Code, including, but not limited to, seeking the issuance of a city sign permit.

2. No signs placed on the premises of a commercial cannabis business shall obstruct any entrance or exit to the building or any window.

3. Each entrance to a commercial cannabis business 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 commercial cannabis business is prohibited.

4. Business identification signage shall be limited to that needed for identification only, and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No commercial cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the commercial cannabis business or elsewhere including, but not limited to, the public right-of-way.

5. Signage shall not be directly illuminated, internally or externally. No banners, flags, billboards or other prohibited signs may be used at any time.

6. Holders of commercial cannabis business permits agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the holder of the permit shall be prohibited from advertising any commercial cannabis business located in the city of Hanford utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the state. This paragraph is not intended to place limitations on the ability of a commercial cannabis business to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.

I. Minors.

1. Persons under the age of twenty-one (21) years shall not be allowed on the premises of a commercial cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It is unlawful and a violation of this chapter for any person to employ any person at a commercial cannabis business who is not at least twenty-one (21) years of age.

2. Notwithstanding Section 5.56.280 I.1., persons aged 18 to 20 years shall be allowed on the premises of a commercial cannabis business if they can produce a physician's recommendation. In that event, such persons can lawfully purchase cannabis for the sole purpose of addressing the medical need that is the subject of the physician's recommendation.

3. The entrance to the commercial cannabis business 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 commercial cannabis business.

J. Odor Control. Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from cannabis are not detectable off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the commercial cannabis business 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 commercial cannabis business. As such, commercial cannabis businesses must install and maintain the

following equipment, or any other equipment which the ~~community development director~~ City Manager or his/her designee(s) or designee(s) determine is a more effective method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
2. An air system that creates negative air pressure between the commercial cannabis business's interior and exterior, so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.

K. Display of Permit and City Business License. The original copy of the commercial cannabis business permit issued by the city pursuant to this chapter and the city issued business license shall be posted inside the commercial cannabis business in a location readily-visible to the public.

L. Background Check. Pursuant to California **Penal Code** Sections 11105(b)(11) and 13300(b)(11), 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 commercial cannabis business must submit fingerprints and other information deemed necessary by the chief of police or designee(s) for a background check by the Hanford police department. Pursuant to California **Penal Code** Sections 11105(b)(11) and 13300(b)(11), 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 permit to operate a commercial cannabis business or a related work permit unless they have first cleared the background check, as determined by the chief of police or designee(s), as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the city of Hanford to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business permit is submitted.

M. Loitering. The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.

N. Permits and Other Approvals. Prior to the establishment of any commercial cannabis business or the operation of any such business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.

O. If a commercial cannabis business permittee is operating as a collective or cooperative under **Health and Safety Code** Section 11362.775, subdivision (a), members of the applicant authorized to possess cannabis shall sign an agreement with the commercial cannabis business which states that members shall not distribute cannabis or cannabis products to non-members or in violation of the "Memorandum for all United States Attorneys," issued by the United States Department of Justice, from James M. Cole, Deputy Attorney General and any other applicable state and federal laws, regulations, or guidelines.

P. If the commercial cannabis business permittee is operating as a collective or cooperative under **Health and Safety Code** Section 11362.775, subdivision (a), the commercial cannabis business shall terminate the membership of any member violating any of the provisions of this chapter.

5.56.300 Operational requirements.

The city manager or designee may develop other commercial cannabis business operational requirements or regulations as are determined to be necessary to protect the public health, safety and welfare.

5.56.310 Operating requirements for dispensaries/storefront retail facilities.

- A. No more than the number of cannabis retailers adopted by resolution may operate within the City of Hanford at any one time and shall be issued a permit by the City of Hanford.
- B. Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of eighteen (18) years. If the potential customer is 18 to 20 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and/or identification card (Medical Cannabis Card) pursuant to Health & Safety Code Section 11362.71. For adult-use purchases, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.
- C. Entrances into the retailer shall be strictly controlled in a manner approved by the Chief of Police or designee.~~be locked at all times with entry strictly controlled. A "buzz in" electronic/mechanical entry system shall be utilized to limit access and entry to the retail area to separate it from the reception/lobby area.~~ Individuals 18-21 years of age must show their physician's recommendation to gain access, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71 in order to gain access into the retailer. Physician's recommendations are not to be obtained or provided at the retail location.
- D. Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities. Security personnel may be allowed to carry firearms if authorized by the Chief of Police.
- E. Retailers may have only that quantity of cannabis and cannabis products to meet the daily demand readily available for sale on-site in the retail sales area of the retailer. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.
- F. All restroom facilities shall remain locked and under the control of management.
- G. Retailers and microbusinesses authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this division.
 1. All cannabis goods sold by a retail business shall be contained in child-resistant packaging.
 2. Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.
 3. A retail licensee or microbusiness licensee who is engaged in retail sale shall hire or contract for security personnel who are at least 21 years of age to provide security

services for the licensed retail premises. All security personnel hired or contracted for by the licensee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.

H. Access to Retailer Premises.

1. Access to the premises of a retail licensee/permittee shall be limited to individuals who are at least 21 years of age.
2. Notwithstanding Section 5.56.310 (H)(1), individuals who are at least 18 years of age and in possession of a valid physician's recommendation shall be granted access to the premises of a retail licensee/permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.

I. Authorized Sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, but not yet 21, if those individuals are in possession of a valid physician's recommendation. Medicinal cannabis sales to individuals 21 years of age and older are unrestricted.

J. Limited Access Areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the licensee/permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the Chief of Police or the Development Services Director upon request.

K. Microbusiness – Commercial Activity. All cultivation, manufacturing, distribution, and retail activities performed by a licensee under a Type 12-Microbusiness permit shall occur on the same licensed premises. Areas of the premises for manufacturing and cultivation shall be separated from the distribution and retail areas by a wall and all doors between the areas shall remain closed when not in use.

L. Operating hours of the Store Front Retailer License shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.

M. Store Front/Retail Security Requirements. All provisions incorporated within Section 5.56.250 of this Chapter (Security Measures), are directly applicable to and binding on all commercial cannabis businesses, including all Store Front/Retail businesses.

5.56.320. Operating requirements for delivery services.

Prior to commencing operations, a cannabis 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 ~~Community Development Director~~ City Manager or his/her designee(s) with evidence of a valid state license for a commercial 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 ~~Community Development Director~~ City Manager or his/her designee(s), directly or via the jurisdiction from which the business has received an operating permit, the names and driver's license numbers of all the business' delivery drivers, and evidence verifying that criminal background checks have been conducted for all the business' drivers.
- (4) The retail business operating the delivery service shall furnish to the ~~Community Development Director~~ City Manager or his/her designee(s) 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.

5.56.330 Operating requirements for non-storefront retail.

- A. Non-Store Front Retailer (Delivery) License Owners and Operators are required to verify the age and the necessary documentation of each medical customer to ensure the customer is not under the age of eighteen (18) years, and to verify that the potential customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the retail location.
- B. All Store Front Retailers, Non-Store Front Retailers (delivery) and Microbusinesses which conduct deliveries into or within the City of Hanford shall be required to obtain a permit from the City of Hanford in order to conduct retail sales regardless if they are located in the city or another local jurisdiction.
- C. Operating hours of the Non-Store Front Retailer License shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.
- D. The commercial Non-Store Front Retailer shall only sell cannabis or cannabis products to a ~~natural~~ person 21 years of age or older, or a natural person 18 years of age or older who possesses a physician's recommendation for medical cannabis use only.
- E. Except as otherwise provided herein, the commercial cannabis non-storefront retailer may only have on site that quantity of cannabis and cannabis products reasonably anticipated to meet the weekly demand for which they may need to be readily available for sale.
 - a. The commercial cannabis non-store front dispensary may store additional product on-site if they meet the following requirements.
 - b. Product must be secured in a locked vault to which customers, visitors and vendors shall not have access.
 - c. Must have 24-hour security.
 - d. All product must be entered into the state mandated track and trace system.
 - e. Excess product storage shall not exceed the amount that would typically be used in a 6 week period.
 - f. Separate security plan for the additional product being stored shall be approved by the

Chief of Police or his/her designee.

5.56.340 Operating requirements for cultivation facilities.

A. Outdoor Cultivation Prohibited. The cultivation of all cannabis must occur indoors. All outdoor cultivation is prohibited.

B. In no case, shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.

C. If a commercial cannabis cultivation is permitted in the city of Hanford then it shall only be allowed to cultivate the square feet of canopy space permitted by state law.

D. Cannabis cultivation shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.

E. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.

F. The cultivation of cannabis shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the commercial cannabis business, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis.

G. All applicants for a cannabis cultivation permit shall submit the following in addition to the information generally otherwise required for a commercial cannabis business:

1. A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities (indoor, mixed-light) and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting (indoor, mixed-light).

2. A description of a legal water source, irrigation plan, and projected water use.

3. Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.

4. Plan for addressing odor and other public nuisances which may derive from the cultivation site.

5.56.350 Cannabis manufacturing—Edibles and other cannabis products—Sale or distribution of edible and other cannabis products.

The manufacturing of food or other products infused with or which otherwise contain cannabis may be manufactured within the appropriate manufacturing zoning districts as described in Title 17, subject to the regulations set forth in this chapter, and subject to whatever additional regulations may be promulgated hereunder by an ordinance or resolution of the city council.

5.56.360 Packaging and labeling.

- A. Before a commercial cannabis manufacturer delivers any edible cannabis or edible cannabis product to a dispensary, the same shall be labeled and placed in tamper-evident packaging which at least meets the requirements of California [Business and Professions Code](#) Section 19347, as the same may be amended from time to time or superseded or replaced by subsequent state legislation or by any department or division of the state of California.
- B. All items to be sold or distributed shall be individually wrapped at the original point of preparation by the business permitted as a commercial cannabis manufacturer.
- C. Labeling must include a warning if nuts or other known allergens are used, and must include the total weight (in ounces or grams) of cannabis in the package.
- D. A warning that the item is a medication and not a food must be clearly legible on the front of the package and/or must comply with state packing requirements.
- E. The package must have a label warning that the product is to be kept away from children.
- F. The label must also state that the product contains cannabis and must specify the date of manufacture.
- G. Any edible cannabis product that is made to resemble a typical food product must be in a properly labeled opaque (non-see-through) package before it leaves the commercial cannabis manufacturing business.
- H. Deliveries must be in a properly labeled opaque package when delivered.
- I. The city council may impose additional packaging and labeling requirements on cannabis or cannabis products by resolution, as permitted by law.

5.56.370 Operating requirements for cannabis manufacturing (levels one and two)— Extraction, etc.

- A. Cannabis manufacturing facilities requiring a Type 6 or Type 7 state license (using non-volatile and volatile solvents) as defined in [Business and Professions Code](#) Section 19341, may be permitted to operate within those zone districts as defined in Title 17 of the city of Hanford Municipal Code.
- B. Any compressed gases used in the manufacturing process shall not be stored on any property within the city of Hanford in containers that exceeds the amount which is approved by the fire department and authorized by the regulatory permit. Each site or parcel subject to a commercial cannabis business permit shall be limited to a total number of tanks as authorized by the fire department on the property at any time.
- C. Cannabis manufacturing facilities may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human-related toxicity approved by the community development department. These solvents must be of at least ninety-nine percent (99%) purity and any extraction process must use them in a professional grade closed loop extraction system designed to recover the solvents, work an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.

D. If an extraction process uses a professional grade closed loop CO₂ gas extraction system where every vessel is certified by the manufacturer for its safe use as referenced in subsection F. The CO₂ must be of at least ninety-nine percent (99%) purity.

E. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

F. Certification from an engineer licensed by the state of California must be provided to the community development department for a professional grade closed loop system used by any commercial cannabis manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including, but not limited to:

1. The American Society of Mechanical Engineers (ASME);
2. American National Standards Institute (ANSI);
3. Underwriters Laboratories (UL); or
4. The American Society for Testing and Materials (ASTM).

G. The certification document must contain the signature and stamp of the professional engineer and serial number of the extraction unit being certified.

H. Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the fire department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.

I. Cannabis manufacturing facilities may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

J. Cannabis manufacturing facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. All ethanol must be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

K. Cannabis manufacturing facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

L. Any person using solvents or gases in a closed loop system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.

M. Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

5.56.372 Operating requirements for Distributors.

A. A distributor shall not store non-cannabis goods or non-cannabis accessories that are to be sold to another party on any licensed premises. Additionally, a distributor shall not distribute non-cannabis goods or non-cannabis accessories at a licensed premise. For the purposes of this section, non-cannabis goods are any goods that do not meet the definition of cannabis goods as defined in Title 16, Section 5000(c) of the California Code of Regulations.

- B. After taking physical possession of a cannabis goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.
- C. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.
- D. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.
- E. A distributor or an employee of the distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded, and the recording kept available to state and local authorities for a minimum of 180 days, pursuant to Section Title 16, 5305 of the California Code of Regulations.
- F. A distributor shall not transport cannabis or cannabis products to a licensed retail facility until and unless it has verified that the cannabis or cannabis products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Title 16, Sections 5705, 5710 and 5714 of the California Code of Regulations.

5.56.374 Operating requirements for Testing Laboratories.

- A. Testing Labs shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each Testing Lab shall be subject to additional regulations as determined from time to time as more regulations are developed under this Chapter and any subsequent State of California legislation regarding the same.
- B. Testing Labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.
- C. All cannabis testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Bureau of Cannabis Control.
- D. Testing labs shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the Bureau unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the bureau.
- E. Each operator shall ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by state law and that the testing laboratory employee transports the sample to the testing laboratory.
- F. Except as provided by state law, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol as established in approved security measures by the Chief of Police.
- G. A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver

presents the qualified patient's valid physician's recommendation for cannabis for medicinal purpose. A testing lab shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the cannabis or cannabis products received.

5.56.376 Operating requirements for Microbusinesses.

Microbusinesses must comply with the local operating requirements and all requirements imposed by state law that apply to the specific activities operating under the umbrella of the individual microbusiness.

- A. Outdoor Commercial Cultivation is prohibited.
- B. In no case, shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.
- C. Commercial cannabis cultivation which is permitted in the City of Hanford shall not exceed 10,000 square feet of canopy space permitted by state law as part of a microbusiness license.
- D. Cannabis cultivation shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.
- E. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.
- F. The cultivation of cannabis shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the commercial cannabis business, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis.
- G. All applicants for a cannabis cultivation permit shall submit to the following in addition to the information generally otherwise required for a commercial cannabis business:
 - (1) A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting.
 - (2) A description of a legal water source, irrigation plan, and projected water use.
 - (3) Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.
 - (4) Plan for addressing odor and other public nuisances that may derive from the cultivation site.

5.56.380 Promulgation of regulations, standards and other legal duties.

- A. In addition to any regulations adopted by the city council, the city manager or designee is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of commercial cannabis business permits, the ongoing operation of commercial cannabis businesses and the city's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this chapter.
- B. Regulations shall be published on the city's website.
- C. Regulations promulgated by the city manager shall become effective upon date of publication. Commercial cannabis businesses 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 city manager or designee.
- D. Testing labs, transporters and distribution facilities shall be subject to state law and shall be subject to additional regulations as determined from time to time as more regulations are developed under subsection A.

5.56.390 Community relations.

- A. Each commercial cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the commercial cannabis business can be provided. Each commercial cannabis business shall also provide the above information to all businesses and residences located within one hundred (100) feet of the commercial cannabis business.
- B. During the first year of operation pursuant to this chapter, the owner, manager, and community relations representative from each commercial cannabis business holding a permit issued pursuant to this chapter shall attend a quarterly meeting with the city manager or designee(s) and other interested parties as deemed appropriate by the city manager, to discuss costs, benefits, and other community issues arising as a result of implementation of this chapter. After the first year of operation, the owner, manager, and community relations representative from each such commercial cannabis business shall meet with the city manager or designee(s) when and as requested by the city manager or designee(s).
- C. Commercial cannabis businesses to which a permit is issued pursuant to this chapter 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.

5.56.400 Fees deemed debt to city of Hanford.

The amount of any fee, cost or charge imposed pursuant to this chapter shall be deemed a debt to the city of Hanford that is recoverable via an authorized administrative process as set forth in the municipal code, or in any court of competent jurisdiction.

5.56.410 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 of Hanford, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence.

5.56.420 Inspection and enforcement.

A. The city manager, chief of police or designee(s) charged with enforcing the provisions of the Hanford Municipal Code, or any provision thereof, may enter the location of a commercial cannabis business at any time, without notice, and inspect the location of any commercial cannabis business as well as any recordings and records required to be maintained pursuant to this chapter or under applicable provisions of state law.

B. It is unlawful for any person having responsibility over the operation of a commercial cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the city to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial cannabis business under this chapter or under state or local law.

C. The city manager, chief of police or designee(s) charged with enforcing the provisions of this chapter may enter the location of a commercial cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by the city of Hanford shall be logged, recorded, and maintained in accordance with the Hanford police department standards for evidence.

5.56.430 Concurrent regulation with state.

It is the stated intent of this chapter to regulate commercial cannabis activity in the city of Hanford concurrently with the state of California.

5.56.440 Violations declared a public nuisance.

Each and every violation of the provisions of this chapter is hereby deemed unlawful and a public nuisance per se. The nuisance abatement remedies and procedures identified in Chapter 17.94, which are incorporated herein by reference, shall apply to nuisances existing under this Chapter 5.56.

5.56.450 Each violation a separate offense.

Each and every violation of this chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Hanford Municipal Code or by state law. Each day a violation is committed or permitted to continue shall constitute a separate violation. Additionally, as a nuisance per se, any violation of this chapter shall be subject to injunctive relief, any permit issued pursuant to this chapter being deemed null and void, disgorgement and payment to the city of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or

remedy available at law or in equity. The city of Hanford may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis business or persons related to, or associated with, the commercial cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the city manager, chief of police or designee(s), may take immediate action to temporarily suspend or revoke a commercial cannabis business permit issued by the city, pending a hearing before the city council or its designee.

5.56.460 Criminal penalties.

Each and every violation of the provisions of this chapter may be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000.00) or imprisonment in the County Jail for a period of not more than twelve (12) months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense. (Ord. 17-08 § 2, 2017)

5.56.470 Administrative penalties and costs.

In addition to any other remedy available at law, an administrative citation may be issued to any person or entity who violates this chapter.

A. Issuance of Citation.

1. Whenever the city's Police Chief, his/her designee, or a city Code Enforcement Officer determines that a violation of this chapter has occurred, the Police Chief, his/her designee, or a City Code Enforcement Officer shall have the authority to issue an administrative citation to any person or entity responsible for the violation.
2. Each administrative citation shall contain the following information:
 - i. The date of the violation or, if the date of the violation is unknown, then the date the violation is identified;
 - ii. The address or a definite description of the location where the violation occurred;
 - iii. The section of this chapter that was violated and a description of the violation;
 - iv. The amount of the fine for the violation;
 - v. A description of the fine payment process, including a description of the time within which and the place at which the fine shall be paid;
 - vi. An order prohibiting the continuation or repeated occurrence of the code violation described in the administrative citation;

- vii. A description of the administrative citation review process, including the time within which the administrative citation may be contested and the place from which a request for hearing form to contest the administrative citation may be obtained; and
- viii. The name and signature of the individual issuing the citation.

B. *Amount of Fines.*

- 1. The amounts of the administrative citation fines for violations of this chapter shall be set forth in a schedule of fines established by resolution of the Hanford City Council (City Council).
- 2. The schedule of fines shall specify any increased fines for repeat violations of the same code provision by the same person or entity.

C. *Payment of Fines.*

- 1. Fines shall be paid to the city within thirty (30) days from the date of the administrative citation.
- 2. Any administrative citation fine paid shall be refunded if it is determined, after an appeal hearing, that a person or entity charged in the administrative citation was not responsible for the violation or that there was no violation as charged in the citation.
- 3. Payment of a fine under this chapter shall not excuse, discharge, or permit any continuation or repeated occurrence of the code violation that is the subject of the administrative citation.

D. *Hearing Request.*

- 1. Any recipient of an administrative citation may appeal the citation by submitting a written request for hearing to the City Clerk or his/her designee within thirty (30) days from the date of the administrative citation, together with an advance deposit of the fine and appeal fee.
- 2. ~~The person or entity requesting the hearing shall be notified by the city of the time and place set for the hearing at least ten (10) days prior to the date of the hearing.~~
- 3. If the Police Chief, his/her designee, or a Code Enforcement Officer submits an additional written report concerning the administrative citation to the hearing body, then a copy of such report shall be served on the person requesting the hearing at least five (5) days prior to the date of the hearing.

~~E. Hearing Body.~~

~~The City Council or its designee(s) shall serve as the hearing body for appeals regarding administrative citations issued under chapter.~~

~~GE.~~ *Hearing Procedure.*

1. The appeal procedures described in Section 5.56.160 shall apply to appeals involving administrative citations.
2. No hearing to contest an administrative citation shall be held unless the fine has been deposited with the city in advance.
- ~~2. A hearing shall be set for a date that is not less than fifteen (15) days and not more than sixty (60) days from the date that the request for hearing is filed in accordance with the provisions of this chapter.~~
3. At the hearing, the party contesting the administrative citation shall be given the opportunity to testify and to present evidence concerning the administrative citation.
- ~~4. The failure of any recipient of an administrative citation to appear at the appeal hearing shall constitute a forfeiture of the fine and a failure to exhaust his/her/its/their administrative remedies.~~
- ~~54.~~ The administrative citation and any additional report submitted by the Police Chief, his/her designee, or a Code Enforcement Officer shall constitute prima facie evidence of the respective facts contained in those documents.
- ~~65.~~ The hearing body may continue the hearing and request additional information from the Police Chief, his/her designee, Code Enforcement Officer, or the recipient of the administrative citation prior to issuing a written decision.

~~HF.~~ *Hearing Body's Decision.*

1. After considering all of the testimony and evidence submitted at the hearing, the hearing body shall issue a written decision to uphold, modify, or cancel the administrative citation and shall list in the decision the reasons for the decision. The decision of the hearing body shall be final.
2. If the hearing body determines that the administrative citation should be upheld, then the fine amount on deposit with the city shall be retained by the city.
3. If the hearing body determines that the administrative citation should be canceled, then the city shall promptly refund the amount of the deposited fine.
4. If the hearing body determines that the fine levied under the administrative citation should be adjusted, then the city will promptly refund the amount of the deposited fine that exceeds the amount fixed by the hearing body or the recipient of the administrative citation will promptly pay to the city an additional amount fixed by the hearing body if the body finds that the fine assessed under the administrative citation to be insufficient.
5. The recipient of the administrative citation shall be served with a copy of the hearing body's written decision.

~~IG.~~ *Late Payment Charges.*

Any person or entity who fails to pay to the city any fine imposed or amount owed pursuant to the provisions of this chapter on or before the date that the fine or amount is due shall also be liable for a late payment charge equal to ten percent (10%) of the unpaid amount, and interest shall accrue thereafter at a rate of one and one half percent (1.5%) per month on the unpaid fine; provided however, the additional penalty and/or interest shall not apply if collection of the same by the city would violate State law.

JH. *Recovery of Administrative Citation Fines and Costs.*

Any person or entity who violates this chapter shall be responsible for the enforcement costs incurred by the city with respect to such violation. The city may collect any past due administrative citation fines, enforcement and collection costs, and late payment charges by use of all available legal means. Collection costs shall be in addition to any interest and/or late charges imposed upon the delinquent obligation and shall be added to and become a part of the underlying obligation. Any partial payment of an obligation, when a partial payment is permitted, will be applied first to the principal amount of the underlying obligation, then to any penalties, and then to interest.

I. *Recovery of Administrative Citation Fines and Costs.*

Any person or entity who violates this Chapter shall be responsible for the enforcement costs incurred by the City with respect to such violation. The City may collect any past due administrative citation fines, enforcement and collection costs, and late payment charges by use of all available legal means, including, without limitation, the lien procedures identified in Sections 17.94.180 and 17.94.190 of this Code, which are incorporated herein by reference. Collection costs shall be in addition to any interest and/or late charges imposed upon the delinquent obligation and shall be added to and become a part of the underlying obligation. Any partial payment of an obligation, when a partial payment is permitted, will be applied first to the principal amount of the underlying obligation, then to any penalties, and then to interest.

KJ. *Right to Judicial Review.*

Any person or entity aggrieved by a decision of the hearing body on an administrative citation may obtain review of the decision by filing a petition for review with the Superior Court for Kings County, California in accordance with the timelines and provisions set forth in California Government Code Section 53069.4, as may be amended.

LK. *Notices.*

The administrative citation and all notices required to be given by this chapter shall be served by personal delivery thereof to the person or entity to be notified or by deposit in the United States Mail, certified mail with return receipt requested, addressed to such person to be notified at his/her/its last-known address as the same appears in the public records or other records pertaining to the matter to which such notice is directed. Service by mail shall be deemed to have been completed at the time of deposit in the mail.

5.56.480 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.



AGENDA STAFF REPORT

MEETING DATE: 10/19/2021	AGENDA SECTION:
---------------------------------	------------------------

SUBJECT:

Clerk: Conduct a Public Hearing to receive input from the community regarding the redrawing of City Council election district boundaries as required under the redistricting process

RECOMMENDATION:

That the City Council, by motion:

1. Receive a report from staff and the City's redistricting consultant on the redistricting process and permissible criteria to be considered to redraw district boundaries; and
2. Conduct a public hearing to receive public input on district boundaries.

BACKGROUND:

Every 10 years, cities with by-district election systems must use new census data to review and, if needed, redraw district lines to reflect how local populations have changed. This process, called redistricting, ensures all districts have a nearly equal population. The redistricting process for the City of Hanford must be completed by April 17, 2022.

The City adopted its current district boundaries in 2011, based on 2010 census data as required by law. The districts must now be redrawn using the 2020 census data and in compliance with the FAIR MAPS Act, which was adopted by the California legislature as AB 849 and took effect January 1, 2020.

Under the Act, the City Council shall draw and adopt boundaries using the following criteria in the listed order of priority (Elections Code 21621(c)):

1. Comply with the federal requirements of equal population and the Voting Rights Act
2. Be geographically contiguous
3. Undivided neighborhoods and "communities of interest" (socio-economic geographic areas that should be kept together)
4. Display easily identifiable boundaries

5. Be compact (do not bypass one group of people to get to a more distant group of people)
6. Shall not favor or discriminate against a political party

Once the prioritized criteria are met, other traditional districting principles can be considered, such as:

1. Minimize the number of voters delayed from voting in 2022 to 2024
2. Respect voters' choices/continuity in office
3. Future population growth

By law, the City must hold at least four public hearings that enable community members to provide input on the drawing of district maps:

- At least one hearing must occur before the city or county draws draft maps
- At least two hearings must happen after the drawing of draft maps The fourth hearing can happen either before or after the drawing of draft maps
- City or county staff or consultants may hold a public workshop instead of one of the required public redistricting hearings

To increase the accessibility of these hearings, cities and counties must take the following steps:

- At least one hearing must occur on a Saturday, Sunday, or after 6:00 p.m. on a weekday
- If a redistricting hearing is consolidated with another local government meeting, the redistricting hearing must be begin at a pre-designated time
- Local public redistricting hearings must be made accessible with people with disabilities

The purpose of this public hearing is to inform the public about the districting process and to hear from the community on what factors should be taken into consideration while creating district boundaries. The public is requested to provide input regarding communities of interest and other local factors that should be considered while drafting district maps. A community of interest under the relevant Elections Code for cities (Section 21621(c) is, “a population that shares common social or economic interests that should be included within a single district for purposes of its effective and fair representation.”

Possible features defining community of interest might include, but are not limited to:

1. School attendance areas;
2. Natural dividing lines such as major roads, hills, or highways;
3. Areas around parks and other neighborhood landmarks;
4. Common issues, neighborhood activities, or legislative/election concerns; and
5. Shared demographic characteristics, such as:
 - Similar levels of income, education, or linguistic insolation;
 - Languages spoken at home; and
 - Single-family and multi-family housing unit areas.

Next Steps

On November 16, 2021, the City Council will conduct Public Hearing #2 to seek additional public input and provide direction on criteria to be considered while drafting district maps. Following that hearing, draft district maps and proposed election sequencing will be posted to the City website and available at City Hall. In addition, the City will be conducting workshops in various areas of the City, COVID restrictions permitting, to further engage residents in the redistricting process.

Following the demographic review of the recently released 2020 Census data and the drafting of revised district boundary maps, Public Hearings 3 and 4 will be scheduled. At these hearings the Council may also discuss adjusting the sequencing of district elections so as to balance the number of officers on the ballot at any given election. Any changes to the current sequencing of district elections would be made part of the final ordinance adopting the revised district boundaries.

FISCAL IMPACT:

There is no fiscal impact associated with the recommended action.

ATTACHMENTS:

NOTICE OF PUBLIC HEARING - Redistricting

NOTICE OF PUBLIC HEARING - Redistricting spanish

NOTICE OF PUBLIC HEARING

To Receive Public Input and Proposals Regarding City Council District Boundaries

NOTICE IS HEREBY GIVEN that, pursuant to California Elections Code Section EC 21607.1, the City Council of the City of Hanford will hold a public hearing to receive input regarding potential redistricting of Council Member districts.

Public Hearing #1 and Public Hearing #2 are scheduled as follows:

DATE: October 19, 2021 and November 16, 2021

TIME: 8:00 p.m.

LOCATION: Civic Auditorium City Council Chamber 400 N. Douty Street Hanford CA 93230

The public is invited to attend and/or submit information regarding their Communities of Interest, and proposed division boundaries for the 2021 redistricting process. Draft maps will not be available until census-block level 2020 U.S. census data is released and analyzed, at Public Hearing #3.

Questions or input may also be emailed to: ncorral@cityofhanfordca.com

Complete redistricting information can be found at:

https://www.cityofhanfordca.com/government/city_clerk/redistricting.php

Dated: October 11, 2021

/s/ Natalie Corral

Natalie Corral

City Clerk

Publish October 14, 2021 & November 11, 2021

Attachment: NOTICE OF PUBLIC HEARING - Redistricting (Clerk: Conduct a public hearing for the City's redistricting process)

NOTIFICACIÓN DE AUDIENCIA PÚBLICA

La Junta del Consejo de la Ciudad de Hanford celebrará una junta con el propósito de escuchar opiniones y protestas relacionadas con los límites de los distritos.

POR MEDIO DE LA PRESENTE SE NOTIFICA que conforme a el Artículo EC 21697.1 del Código de Elecciones de California. La Ciudad de Hanford llevará a cabo una audiencia pública con el propósito de recibir opiniones relacionadas con la posibilidad de redelinear los distritos de los integrantes del Consejo.

Las fechas y horas de la Audiencia Pública #1 y Audiencia Pública #2 son los siguientes:

FECHA: 19 de Octubre, 2021 y 16 de Noviembre, 2021

HORA: 8:00 p.m.

UBICACIÓN: Civic Auditorium City Council Chamber 400 N. Douty Street Hanford, las comunidades de interesadas CA 93230

Se invita al publico en general a asistir y a presentar información relacionada con las comunidades interesadas y que forman parte de la propuesta del proceso de división de las redelineaciones de los distritos del 2021. El anteproyecto del mapa no estará disponible hasta que la etapa del censo de manzanas de los Estados Unidos del 2020 sea publicado y analizado durante la Audiencia Publica # 3.

También puede presentar su preguntas u opiniones por medio de un correo electrónico al : ncorral@cityofhanfordca.com

La información complete relacionada con la redealineación de distritos esta disponible en: https://www.cityofhanfordca.com/government/city_clerk/redistricting.php

Fechado: 11 de octubre,2021

/s/ Natalie Corral

Natalie Corral

City Clerk/Actuaria de la Ciudad

Publicarse en el 14 de octubre, 2021 y 11 de noviembre,2021



AGENDA STAFF REPORT

MEETING DATE: 10/19/2021	AGENDA SECTION: A
---------------------------------	--------------------------

SUBJECT:

Parks and Community Services: Review and Approval of an annual Lease Agreement with Kings Rehab, for the Hanford Soccer Complex (Soc Com), at an annual cost of \$24,000, Appropriation of funding to cover the lease payment and annual maintenance expenses and Adoption of Resolution No. 21-47-R, Authorizing the submittal of an application for the Rural Recreation and Tourism grant for the acquisition and development of the Soc Com facility

RECOMMENDATION:

That the City Council, by motion:

1. Approve the lease agreement for the Hanford Soccer Complex (Soc Com) between the City of Hanford and the Kings Rehabilitation Center at an annual cost of \$24,000 with a first right of refusal to purchase the property; and
2. Appropriate \$98,915 from the General Fund to the Parks fund to fund operational costs; and
3. Appropriate \$61,500 from the Accumulated Capital Outlay (ACO) Fund for repairs and upgrades to the facility; and
4. Adopt Resolution 21-47-R to authorize the submittal of the Rural Recreation and Tourism grant application for the acquisition and development of the Soc Com.

BACKGROUND:

As detailed within the 2020 Parks and Recreation Master Plan, the City of Hanford is critically park deprived as a community. As the City continues to grow, the need for additional sports parks, community parks and open space becomes more and more needed to ensure the health, quality of life, and wellbeing of Hanford residents continues as a priority.

The Soc Com facility, owned by Kings Rehab and previously leased to Hanford Youth Soccer, is a private facility and therefore is not included in the current calculations for Park acreage within the City of Hanford. The addition of Soc Com will position the City as a regional soccer tournament destination and spur economic development while also meeting the needs of Hanford

youth soccer families. Weekend soccer tournaments attract out-of-town families into the community, where they inject consumer spending for food, lodging, gasoline and entertainment.

1. Lease Agreement for the Hanford Soccer Complex (Soc Com)

The Hanford Soccer Complex (Soc-Com) is owned by the Kings Rehabilitation Center and is located near the intersection of Hanford Armona Road and 10th Avenue. It is comprised of 35 total acres, and includes natural turf soccer fields, parking lot, and a restroom/concession building (See attached Memorandum of Understanding).

Soc Com has great potential as a regional soccer complex and has been leased to Hanford Youth Soccer, who serves youth ages 4-14. In addition, the Hanford American Youth Soccer Organization (AYSO) also serves youth ages 4-14 and is currently conducting practices and games at Freedom Park due to their displacement from elementary school fields. Both organizations have a strong history of serving the recreational and competitive youth soccer needs of the community.

2. Appropriation from the General Fund of \$98,915 to fund operational costs.

This appropriation request is to fund the annual operational and leasing costs associated with Soc Com. This includes the annual lease amount of \$24,000 to the Kings Rehabilitation Center, \$31,440 for contracted mowing, and \$43,515 for water, based on the past twelve months water bill.

3. Appropriation from the Accumulated Capital Outlay (ACO) Fund of \$61,500 for repairs and upgrades to the facility.

This appropriation request is to fund repairs and upgrades to the facility to ensure safe and positive experiences to users. This includes \$30,000 for repairs to the restroom/concession building, \$15,000 for irrigation repairs, and \$16,500 for the replacement of eight soccer goals.

4. Resolution 21-47-R for the submittal of the Rural Recreation and Tourism grant application for the acquisition and development of the Soc Com.

The Rural Recreation and Tourism (RRT) Program grant application, funded through the California Department of Parks and Recreation, provides specific funding to acquire and develop regional sports complexes capable of hosting sports tournaments, thus creating economic development for supporting businesses.

The intent of the RRT is to create new recreation features in support of economic, tourism, and health related goals to improve the health of residents and attract out of town visitors. The maximum grant award is \$3,000,000 and the minimum is \$200,000. There is no match requirement. This is a competitive process, which requires maximizing the points detailed in the Final Application Guide. The grant application is due November 5, 2021.

The City is proposing to apply for the maximum award of \$3,000,000. This will provide the funding needed to acquire and develop the property into a first-class regional soccer complex. The City is organizing two forms of outreach to gather input from the community to determine the recreation features and support amenities to be included into a concept drawing of the renovated complex. The outreach efforts include both in-person meetings and an online survey.

Resolution 21-47-R is required for grant application submittal and serves two purposes:

1. It is a means by which the applicant's Governing Body shows it is aware of all the terms of the contract. It provides confirmation that the applicant has the funding to complete the proposed project if the grant is awarded.
2. Designates the City Manager to represent the Governing Body on all matters regarding the application and project. The incumbent in this position is referred to as the Authorized Representative.

(See attached Resolution 21-47-R)

FISCAL IMPACT:

The proposed agreement and required private maintenance contracts would require an appropriation from the General Fund of \$98,915 per year, until the purchase of the property is completed. Additionally, Council is being asked to appropriate \$61,500 from Accumulated Capital Outlay (ACO) Fund for repairs and upgrades to the facility.

ATTACHMENTS:

2021.09.16 MEMORANDUM OF UNDERSTANDING SocCom 2021
RRT Program Resolution

MEMORANDUM OF UNDERSTANDING

This agreement is entered into effective November 1, 2021 at Hanford, California, by and between the Kings Rehabilitation Center, Inc., a California corporation ("KRC") and the City of Hanford ("City").

RECITALS

Whereas KRC has cause to be built, 17 soccer fields on a 40 Acre parcel of real property owned and occupied by KRC ("KRC Property") and;

Whereas the City desires to lease the property to provide sports fields for local sports groups and to attract regional sports tournaments. ; and

Whereas the Board of Directors of KRC has voted to provide the City with access to the 32.3 Acres. The soccer fields and all facilities and improvements located thereon and the north parking lot located adjacent to the 17 soccer fields and the south parking lot located on the KRC Property are hereinafter collectively referred to as the "Soc-Com Complex". The restroom/concession building located at 270 E. Gilkey Ln. Is also included in this agreement. ("The Brick Building")

Use of the Soc-Com Complex by the City

KRC hereby grants to the City the right to use and operate the Soc-Com Complex for sports and recreational use. City shall have the absolute priority and first right to use of the Soc-Com Complex. The City shall have the right to allow other persons and entities, including, without limitation, schools, to use the Soc-Com Complex for sports and recreation activities. KRC shall have the right to use the Soc-Com Complex or portions thereof so long as such use does not conflict or interfere with the use or operation of the Soc-Com Complex by the City and others as allowed under the provisions of this Agreement.

Maintenance of Grounds and Utilities

Except as otherwise provided herein, the City shall at its sole cost and express maintain and repair the Soc-Com Complex, including concession stands, restrooms, irrigation lines, sprinklers, pumps, fencing, the north and south parking lots, trees, landscaping, the Brick Building and other facilities and improvements situated on the Soc-Com Complex from the sidewalk on the south end of the Soc-Com Complex north to the northern boundary of the north parking lot fence, in the condition existing as of the date on which this Memorandum commences. The City shall assume and pay all cost for utilities, water, refuse and sewer service to the Soc-Com Complex. The City will not be responsible to repair damage to the Soc-Com Complex or any facilities or improvements thereon including, without limitation, the parking lots, caused by use unrelated to the use or operation of the Soc-Com Complex by the City.

Commented [TM1]: This sentence was deleted because MOU expires on September 30, 2022 and there are no automatic extensions.

Revenues

The City may schedule, coordinate and collect revenues for all activities conducted at the Soc-Com Complex pursuant to this Memorandum, including, without limitation, tournaments, , concession stands and third-party use. Any and all such revenues shall be the property of the City. Revenues generated by KRC's use of the Soc-Com Complex, as allowed under this agreement, shall be the property of KRC.

Insurance

The City is a government agency that is partially self-insured. To the extent that the City maintain liability coverage, it shall provide general liability insurance covering the Soc-Com Complex naming KRC as an additional insured in an amount not less than one million dollars (\$1,000,000). Additionally, the City shall indemnify and hold KRC harmless from any claim for damages arising from the City's use and/or operation of the Soc-Com Complex; provided however, such duty to indemnify and hold harmless shall not apply to KRC's negligence or intentional misconduct. The City shall provide a Certificate of Insurance naming KRC as additional insured.

Additional Agreements

The City shall make known to KRC the name of a person or persons who shall be responsible for crowd control and securing the facility after events.

The City shall pay the sum of Twenty-Four Thousand dollars (\$24,000.00) in the sum of four (4) Six Thousand dollar payments (\$6,000.00) beginning November 1, 2021. The remaining payments will be due on 1/1/22, 4/1/22, 7/1/22 during the term of this Memorandum as a fee for the use of the Soc-Com Complex. Except as expressly provided for herein, the City shall retain revenue generated from City's use and operation of the Soc-Com Complex including, without limitation, activities, tournaments, concessions and third-party use.

The City may, at its option, install a pay telephone in the concession stand and pay all charges associated therewith.

The City shall seek KRC's consent to make any structural changes to the concession stands, fencing, soccer fields, parking lot or other improvements on the Soc-Com Complex, which consent shall not be unreasonable withheld or delayed. KRC will retain the use of the playground and shall be solely responsible for the maintenance and repair of the playground.

Commented [TM2]: Will KRC have sole use of the play or will it be shared?

Term of Agreement

The term of this memorandum shall be for the period of one (1) year commencing November 1, 2021 and ending October 30, 2022.

Right of First Refusal to Purchase

KRC hereby grants to the City and the City shall have the first right of refusal to purchase the KRC Property commencing on the date of this memorandum and the continuing during the term of this memorandum together with any extension thereof. The City shall have the first right of refusal to Purchase the KRC Property on the same terms and conditions as any bona fide offer to purchase received by KRC. Written notice of any bonafide offer ("offer notice") to purchase the KRC property received by KRC shall be given in writing to the City at the address as stated below. Such written notice shall include, at a minimum, the following information: (i) the purchase price purposed for this sale to the third party; (ii) the method of purchase; (iii) the amount in terms of any proposed grant or financing in connection with the proposed purchase; (iv) the name of the proposed purchaser; and (vii) the other material terms and conditions of the proposed sale. The City's failure to communicate its exercise of its rights of the first refusal within thirty (30) days of the receipt of an Offer Notice to purchase the KRC property shall be deemed a waiver of the City's rights of first refusal to purchase the KRC Property pursuant to the bonafide offer identified I in the Offer Notice. If the City fails to exercise its rights of first refusal, and the KRC enters into negotiation with a third party and is otherwise willing to enter into an agreement with that third party on terms that are different than those contained in the Offer Notice, KRC shall offer to sell the KRC Property to the City on those terms by giving the City a new Offer Notice thereof and the provisions if this paragraph will apply to any new third party offer for the purchase of the KRC Property that is acceptable to KRC.

Consent of the City of Hanford

This memorandum will be effective upon the consent of the City of Hanford City Council.

Sole and only Agreements

This memorandum supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the matters set forth herein and contains all of the covenants and the agreements between the parties regarding said matters. Each party to this memorandum acknowledges that no representation, inducements, promised or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party which are not embodied in this memorandum, and no other agreement, statements or promise shall be valid or binding.

Invalidity

If any provisions of this memorandum is held by a court of competent jurisdiction to be invalid, void of unenforceable, the remaining provision shall nevertheless continue in full force and effect without being impaired if the invalidated in any way.

Amendments

No change, amendments or modification of the memorandum shall be valid unless the same be in writing and signed by the parties hereto.

Governing Law

This memorandum shall be constructed and governed pursuant to the laws of the State of California

Steve Mendoza, Executive Director (KRC)

P.O. Box 719
Hanford, Ca 93232 - 0719

Mario Cifuentes, City Manager

321 N Douty St.
Hanford, CA 93230

RESOLUTION 21-47-R
OF THE CITY COUNCIL OF HANFORD.

Approving the Application for
RURAL RECREATION AND TOURISM PROGRAM GRANT FUNDS
FOR THE ACQUISITION AND DEVELOPMENT OF THE HANFORD SOCCER COMPLEX

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Rural Recreation and Tourism Grant Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State of California to complete the Grant Scope project;

NOW, THEREFORE, BE IT RESOLVED THAT THE HANFORD CITY COUNCIL hereby:

APPROVES THE FILING OF AN APPLICATION FOR THE ACQUISITION AND DEVELOPMENT OF THE HANFORD SOCCER COMPLEX; AND

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project, and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Delegates the authority to the City Manager to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Grant Scope; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.
6. Will consider promoting inclusion per Public Resources Code §80001(b)(8 A-G).

Approved and adopted the ____ day of _____, 20____

I, the undersigned, hereby certify that the foregoing Resolution Number ____ was duly adopted by the Hanford City Council following a roll call vote:

Ayes:

Noes:

Absent:

_____ Clerk



AGENDA STAFF REPORT

MEETING DATE: 10/19/2021	AGENDA SECTION: B
---------------------------------	--------------------------

SUBJECT:

Police: Consideration of adoption of Resolution 21-44-R, to allow for an increase in the maximum number of Retail Storefront dispensaries for cannabis business permits.

RECOMMENDATION:

Staff recommends that Council receive this report, discuss the option to increase retail Storefront Dispensaries from the current 2 allowed to 3 and, if desired, adopt Resolution 21-44-R and direct staff to commence a new application period for interested parties.

RECOMMENDED MOTION:

I move to Adopt Resolution 21-44-R.

BACKGROUND:

On October 5, 2021, the City Council approved the introduction of Ordinance 21-06, adopting several changes to the Cannabis ordinance for the City of Hanford. During that agenda item, there was discussion about the possibility of increasing the number of storefront permits. The discussion centered on the fact that the City may see an increase in the amount of tax revenue with additional dispensaries and the potential redevelopment benefits of new dispensaries. At the conclusion of that Agenda item, pursuant to staff's recommendation, Council directed staff to bring back a Resolution for consideration to allow for the increase in the number of storefront permits.

After consideration by staff including the Police Chief and the City Manager, staff is recommending that the City Council, once again discuss the potential benefits and, if in agreement, adopt the attached resolution to increase the number of storefront permits by one (1) to a total of three (3). As a reminder, an analysis, previously conducted by the City's paid consultant, stated that the City can accommodate one dispensary for each 25,000 in population. With an existing population estimated at approximately 61,000, the report would support that two (2) store fronts would serve the existing population base. For reference, it is estimated that it will take approximately nine years before the City reaches 75,000 in population.

Included in the previous resolution, Council set the existing list of applicants as the pool to be used for a 24 months period. Adoption of the attached Resolution would serve to void that list and allow staff to open a new application period and make a recommendation for award pursuant to the terms and conditions contained in the recently adopted ordinance.

FISCAL IMPACT:

ATTACHMENTS:

21-44R

19-45-R (2)

RESOLUTION NO. 21-44-R**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD
AMENDING THE NUMBER OF COMMERCIAL CANNABIS BUSINESS
PERMITS IN ACCORDANCE WITH SECTION 5.56.080 OF THE HANFORD
MUNICIPAL CODE.**

At regular meeting of the City Council of the City of Hanford duly called and held on OCTOBER 19, 2021, it was moved by Council Member _____, and seconded by Council Member _____, and carried that the following resolution be adopted:

WHEREAS, Resolution 19-45-R was adopted establishing a number of Commercial Cannabis Business Permits for dispensaries and other cannabis permits in the City of Hanford in accordance with Section 5.56.080; and,

WHEREAS, since awarding the initial round of Cannabis permits for dispensaries, the City Council wished to consider awarding additional storefront dispensary permits in the future; and,

WHEREAS, the City Council has determined that allowing additional Commercial Cannabis Business Permits is in the best interest of the City of Hanford, while still allowing the City to address potential impacts to health, safety and welfare and to adequately address issues or impacts that may result from the regulation of the Cannabis industry: and,

WHEREAS, the City Council has determined that it is in the best interest of the City of Hanford to void the existing list of qualified applicants and open up a new competitive application process for permits, limited by resolution and allow for an ongoing process pursuant to the amended ordinance.

NOW, THEREFORE, BE IT RESOLVED that the City Council finds that allowing additional Commercial Cannabis Business Permits for dispensaries is in the best interest of the City of Hanford and, in accordance with 5.56.080, establishes a maximum of three (3) store front dispensary permits to be issued. The limitation on the number of permits shall remain in effect until changed by resolution of the City Council.

NOW THEREFORE BE IT FURTHER RESOLVED that the issuance of cannabis business permits is subject to the following:

1. Store front dispensaries – three (3).
2. Non-Storefront Dispensaries – zero (0)
3. Cultivation – Unlimited
4. Manufacturing – Unlimited
5. Transportation – Unlimited
6. Lab Testing – Unlimited
7. Distribution – Unlimited

8. Micro-Business – Unlimited
9. Cannabis Campus - Unlimited

Passed and Adopted at a regular meeting of the City Council of the City of Hanford held on October 19, 2021, by the following vote:

AYES:	Council Member	_____
NOES:	Council Member	_____
ABSTAIN:	Council Member	_____
ABSENT:	Council Member	_____

FRANCISCO RAMIREZ
MAYOR of the City of Hanford

Attest:

NATALIE CORRAL
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, NATALIE CORRAL, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the 19th day of October, 2021.

Date: _____

City Clerk

Attachment: 21-44R (Police: Cannabis Permits, Resolution 21-44-R)

RESOLUTION NO. 19-45-R

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HANFORD
AMENDING THE NUMBER OF COMMERCIAL CANNABIS BUSINESS
PERMITS IN ACCORDANCE WITH SECTION 5.56.080 OF THE HANFORD
MUNICIPAL CODE.**

At regular meeting of the City Council of the City of Hanford duly called and held on December 3, 2019, it was moved by Council Member Sorensen , and seconded by Council Member Brieno , and carried that the following resolution be adopted:

WHEREAS, Resolution 17-43-R, 17-59-R, and 19-08-R were adopted establishing a number of Commercial Cannabis Business Permits for the City of Hanford in accordance with Section 5.56.080; and,

WHEREAS, the City Council has determined that allowing additional Commercial Cannabis Business Permits is in the best interest of the City of Hanford, while still allowing the City to address potential impacts to health, safety and welfare and to adequately address issues or impacts that may result from the regulation of the Cannabis industry: and,

WHEREAS, it has been determined that large scale cannabis businesses take considerable staff time for review and that the City does not have the staff to process in the same timeline as smaller or single cannabis applications and will be processed separately; and,

WHEREAS, existing permittees of Cannabis permits may process an application for additional cannabis permits, subject to current City regulations and numbers, by submitting an application directly with the Community Development Director and processed as a site plan review, conditional use permit or amendment to existing conditional use permit as required by Title 17 of the City Municipal Code and approved by the Chief of Police; and,

WHEREAS, after awarding Cannabis permits for dispensaries, the City Council wished to consider awarding additional storefront dispensary permits in the future; and,

WHEREAS, the City of Hanford underwent a competitive application process for permits and wishes to establish a list for future permits, if they are considered; and,

NOW, THEREFORE, BE IT RESOLVED that the City Council finds that allowing additional Commercial Cannabis Business Permits is in the best interest of the City of Hanford and, in accordance with 5.56.080, establishes the following limits for the number of permits to be issued. The limitation on the number of permits shall remain in effect until changed by resolution of the City Council:

Cannabis Facilities (subject to award of permit)

- (1) Cultivation: unlimited

Attachment: 19-45-R (2) (Police: Cannabis Permits, Resolution 21-44-R)

- (2) Manufacturing: unlimited
- (3) Transporting: unlimited
- (4) Lab Testing: unlimited
- (5) Distribution: unlimited
- (6) Micro-business: unlimited
- (7) Dispensaries (storefront): Two (2)
- (8) Dispensary (non-storefront): Two (2)
- (9) Cannabis Campus: unlimited (campuses limited to 16 permits year one, 10 permits year 2, and each subsequent year.

NOW THEREFORE BE IT FURTHER RESOLVED that the issuance of additional cannabis business permits is subject to the following:

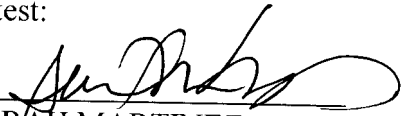
- 1. That existing cannabis permittees in the City of Hanford may add additional cannabis permits through a streamlined process by paying all application fees for processing by the Community Development Director and Chief of Police and any entitlements required in Title 17.
- 2. That large scale cannabis business applications may be processed outside the application processing timeline.
- 3. That the list of eligible cannabis business permits for storefront dispensaries, Exhibit A, shall be good for a period of 24 months.
- 4. That City staff report to the City Council every January for evaluation if additional cannabis permits are warranted.

Passed and Adopted at a regular meeting of the City Council of the City of Hanford held on December 3, 2019, by the following vote:

AYES:	Council Member	<u>Sorensen, Brieno, Draxler, Ramirez, Devine</u>
NOES:	Council Member	<u>Ø</u>
ABSTAIN:	Council Member	<u>Ø</u>
ABSENT:	Council Member	<u>Ø</u>

John Draxler
John Draxler
MAYOR of the City of Hanford

Attest:


SARAH MARTINEZ
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss
CITY OF HANFORD)

I, Sarah Martinez, City Clerk of the City of Hanford, do hereby certify the foregoing Resolution was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the 3 day of December, 2019.

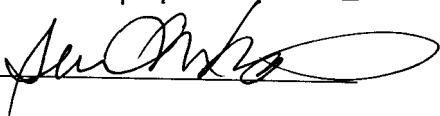
Date: 12/3/19

City Clerk

EXHIBIT A



CITY OF HANFORD
Commercial Cannabis Business
Application & Interview Scores

	Business Name	License Type	Total Points Possible	Total Points Adwarded	Score
1.	Harvest of Hanford, LLC	Retail	4,000	3,776	94.41%
2.	California Erudite Ventures dba Herb N' Joy	Retail	4,000	3,734	93.35%
3.	Elemental Green Care Corp dba Elemental Wellness	Retail	4,000	3,662	91.54%
4.	Hanford Facilities, LLC	Retail	4,000	3,642	91.06%
5.	SGL Hanford, LLC dba Authentic 559	Retail	4,000	3,587	89.67%
6.	DP Hanford, LLC	Retail	4,000	3,169	79.23%



AGENDA STAFF REPORT

MEETING DATE: 10/19/2021	AGENDA SECTION: C
---------------------------------	--------------------------

SUBJECT:

Council: Consideration of a recommendation from the Chamber Ad-Hoc Subcommittee to terminate the existing contract with the Chamber of Commerce, effective December 31, 2021.

RECOMMENDATION:

That the City Council, by motion, consider the recommendation of the Chamber subcommittee to terminate the contract with the Hanford Chamber of Commerce and direct staff to submit a letter of termination to the Chamber with an effective date of December 31, 2021 and direct staff accordingly.

BACKGROUND:

At the July 6, 2021, Council meeting, Council directed the City Manager to bring back an item to discuss the current level of contributions to the Chamber by the City. Because the funding is set by Agreement with the Chamber, at the next meeting, the Council approved the formation of an Ad-Hoc subcommittee, comprised of the City Manager and two (2) Council members to form a subcommittee to meet with the Chamber board to work on possible contract amendments.

The most recent contract amendment between the city of Hanford and the chamber was negotiated in 2019 and approved by the Council and executed in January of 2020. Over the course of the 2020 calendar year, Council reviewed the contract and the operations of the chamber several times through regular presentations to the Council by the Chamber. Throughout the regular reviews of the contract and the performance of the Chamber, the Council maintained that the subsidy to the Chamber, by the City, needed to be reduced over time. The Chamber agreed with the Council's opinion and, additionally, the Chamber expressed a goal of operating without any subsidy contributions at some point in the not-too-distant future.

Over the course of the past couple of months, the subcommittee requested the most current budget documents and reviewed at least ten (10) years of history and Agreements between the Chamber and the City. The Chamber has a history of struggles, but the current leadership has placed the organization on a path to becoming self-sufficient. The subcommittee met with the

representatives from the Chamber and discussed the current budget and the needs of the Chamber. During those meetings, the Chamber acknowledged that it could “easily operate” on less funding than the current contract provides. The confidence of the Chamber board, and the updated budget figures, convinced the subcommittee that \$20,000 for the current year would be sufficient funding to assist the Chamber in bridging any gap in their budget until they can adopt a 2022 Calendar Year budget that allows them to operate subsidy free.

The subcommittee's recommendation to terminate the contract with the Chamber is consistent with direction from previous Councils and is also consistent with the Chamber's goal of operating subsidy free. The City of Hanford has already approved \$20,000 of the \$40,000 annual contract amount for Fiscal Year 2021/22. This action will limit the City's contribution to the \$20,000 contribution for this contract year and keep the terms of the Agreement in place until year end, including allowing the Chamber to occupy their current space rent free until December 31, 2021. Beginning January 1, 2022 the Chamber will operate without any City funding and be free to pursue any programs that they believe best serve the Business Community, without oversight from the City.

FISCAL IMPACT:

The termination of the Chamber contract will result in a savings of \$20,000 for FY 21/22 and \$40,000 per year thereafter.

ATTACHMENTS:

7.1.16 Chamber Agreement
2020 Hanford Chamber of Commerce Agreement
2012 Chamber Agreement
2015 Chamber Accomplishments

SERVICES AGREEMENT

* * * * *

THIS AGREEMENT, made and effective the **1st** day of **July, 2016**, by and between the **CITY OF HANFORD**, a municipal corporation (hereinafter "City"), and the **CHAMBER OF COMMERCE** of the City of Hanford, a California non-profit corporation duly organized and existing under and by virtue of the laws of the State of California (hereinafter "Chamber").

WITNESSETH

In consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. **RECITALS.** This agreement is made and entered into with respect to the following facts:

- a. The Chamber is organized for the purpose of promoting the social, civic, and economic welfare of the City and vicinity;
- b. City is desirous of promoting its advantages as a commercial and industrial center, by disseminating information relative thereto and of soliciting and serving inquiries relative to its possibilities of receiving new commercial and industrial concerns, and providing assistance to existing firms in their growth and expansion plans;
- c. The City is desirous of promoting, soliciting, and serving inquiries relative to visiting the community and connecting visitors with existing businesses.

- d. Chamber operates by and through its board of directors and possesses special knowledge, experience, and facilities for developing and servicing a healthy commercial and industrial community and for developing and servicing visitors; and
- e. The City desires to engage Chamber for the purpose of publicizing and advertising the advantages of the City.

2. **TERM.**

- a. The term of this Agreement shall be effective from July 1, 2016, until June 30, 2017, except that this Agreement: (i) will automatically renew on a year-to-year basis; and (ii) may be terminated by either party as provided herein.
- b. Should Chamber breach any term or condition of this Agreement or fail to perform any of the provisions of this Agreement that it is obligated to perform hereunder, the City shall have the right to immediately terminate this Agreement.
- c. The City or Chamber may terminate this Agreement at any time by giving sixty (60) calendar days prior written notice of termination. The termination shall be effective on the sixty-first (61st) calendar day after the date of such written notice.
- d. Effective the date of written notice of termination, Chamber shall avoid incurring new expenses under this Agreement and City shall, except as otherwise provided herein, have no further obligation to render payment to

Chamber. Money previously paid to Chamber and remaining unspent upon the date of termination shall be immediately returned to the City; Chamber will, however, be entitled to compensation for authorized costs incurred and services provided to the City through the date of termination. Unspent monies and/or amounts owed to Chamber, as applicable, will first be offset against any funds utilized by Chamber for a purpose other than those authorized in Section 3 below.

3. **SERVICES:** During the term hereof, Chamber shall undertake to provide for the benefit of the City services ("Services") that will advertise and publicize the resources and advantages of the City, including, but not limited to, the following:

- a. The assembly, publication and distribution of information relative to the resources and benefits of the City in an advertising program under the direction of the Board of Directors of the Chamber, which advertising shall be designed to attract new businesses, industries, tourists and travelers to the City;
- b. Engage in business and industrial marketing and outreach efforts, which will include, without limitation:
 - (1) Servicing of unsolicited inquires;
 - (2) Maintain a close liaison with existing business, industry and government agencies to assist in the further expansion and development of the business and industry of the community;
 - (3) Encourage local businesses and industries to correspond with and invite their manufacturer's jobbers and wholesalers to investigate

the benefits of locating in the City;

- (4) To have available for business and industry current facts and to maintain a research program in regard to the possibility and advantages of new production;
 - (5) Encourage prospects or others who have or may show an interest in the City, in person, by mail and/or by telephone;
 - (6) Encourage prospects or others who may show an interest in the City to visit the City for firsthand information and inspection; and
 - (7) Encourage public officials and businessmen to work in teams to call upon potential prospects.
- c. Engage in tourism and travel outreach efforts, which will include, without limitation:
- (1) Assemble, publish and distribute information through an organized advertising program designed to attract conferences and visitors to the City;
 - (2) Promote and coordinate conferences and conference-related activities;
 - (3) Promote and coordinate a school visitation program;
 - (4) Coordinate and provide transportation for visiting groups;
 - (5) Operate the carousel located in Courthouse Square (in the vicinity of the northeast corner of the Eighth Street and Irwin Street intersection) at the times identified in the attached Exhibit "A," which is incorporated by reference; maintain, repair, and refurbish

the carousel so that it is placed and remains in good operating and aesthetic condition; and manage all financial matters associated with the carousel; provided however, the City will, at its sole cost and expense:

- (i) inspect on a weekly basis, and
 - (ii) lubricate, and make minor adjustments and repairs to the carousel. "Minor adjustments and repairs" shall be limited to those adjustments and repairs not exceeding FIVE HUNDRED AND NO/100 Dollars (\$500.00) for parts, supplies, labor, and other costs for a single adjustment or repair event. All other costs associated with maintenance, repairs, parts, and labor shall be the sole responsibility of Chamber;
- (6) Develop and market special visitor tours;
 - (7) Act as liaison with Amtrak; and
 - (8) Act as community's liaison to the film industry.
- d. At meetings scheduled by the City, Chamber's Executive Director shall meet quarterly with representatives of the City and private organizations to plan and coordinate activities and schedule of events; and
 - e. Perform such other and additional promotional services as the City may reasonably request.

Should Chamber utilize its 1950 Studebaker fire truck ("Fire Truck"), commonly known as "Freddy," for the transportation of visiting groups or is used in connection with any other

service that Chamber provides hereunder, Chamber shall maintain seat belts for each passenger carried on the Fire Truck, a metal gate at the rear of exterior passenger area, and other safety features and devices identified by the City for the protection of Fire Truck passengers.

4. **FINANCIAL STATEMENTS.** Within sixty (60) calendar days of the end of each of Chamber's fiscal years (and portions thereof) that this Agreement remains in effect, Chamber will provide to the City financial statements and written confirmation from an independent certified public accountant reasonably acceptable to the City that Chamber is in full compliance with the terms of this Agreement. The financial statements shall, without limitation, reflect the manner in which funds received by Chamber hereunder ("Agreement Funds") have been utilized in furtherance of the activities identified in Section 3 above. Financial statements will include, without limitation, an itemized list of goods and services for which Chamber expended Agreement Funds and detailed descriptions of such goods and services. Should this Agreement expire or terminate on a date other than the last day of Chamber's fiscal year, Chamber will provide to the City, within sixty (60) calendar days of the end of its then-current fiscal year, the financial statements for the portion of the fiscal year during which this Agreement remained in effect.

5. **COMPENSATION.**

- a. For the period July 1, 2016 through June 30, 2017, the City shall pay Chamber a total of EIGHTY-SEVEN THOUSAND, FIVE HUNDRED FORTY AND NO/100 DOLLARS (\$87,540.00) for the services to be provided hereunder. This amount will be paid in four (4) equal installments, which shall occur on July 1, October 1, January 1, and April 1.

- b. Should the term of this Agreement automatically renew in accordance with Section 2.a. above, the City shall pay Chamber SEVENTY-SEVEN THOUSAND, FIVE HUNDRED FORTY AND NO/100 DOLLARS (\$77,540.00) for the period July 1, 2017 through June 30, 2018. Each fiscal year (July 1 through June 30) thereafter, the compensation amount paid by the City shall be reduced by TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) per year until the annual compensation amount paid to Chamber is FORTY THOUSAND AND NO/100 DOLLARS (\$40,000.00); provided however, the final adjustment shall be from FORTY-SEVEN THOUSAND, FIVE HUNDRED FORTY AND NO/100 DOLLARS (\$47,540.00) to FORTY THOUSAND AND NO/100 DOLLARS (\$40,000.00).
- c. Should Chamber breach any term or condition of this Agreement or fail to perform any of the provisions of this Agreement that it is obligated to perform hereunder, the City shall have the right to withhold future compensation to Chamber until any such breach is cured or performance made as determined by the City in its sole and absolute discretion.
- d. As additional consideration for the services that Chamber will provide to the City hereunder, City will lease 113 Court Street, Suite 104 to Chamber for ONE AND NO/100 DOLLAR (\$1.00) per fiscal year (July 1 through June 30). The parties agree that Chamber's breach of this Agreement shall constitute a breach under the Lease, and Chamber's breach of the Lease shall constitute a breach under this Agreement. This rental rate identified

herein will remain in effect as long as this Agreement is effective; City may require Chamber to pay the market rate for rent upon the termination or expiration of this Agreement.

6. **LIAISON.** The City shall appoint a liaison with whom Chamber may communicate. The City will provide its liaison's name to Chamber and will advise Chamber if such person is replaced.

7. **INDEMNIFICATION.** Chamber agrees to indemnify, defend and hold harmless the City and its officials, officers, employees, agents and volunteers from and against all claims, demands, actions, injuries, liabilities, losses, costs or damages, direct or indirect, and any and all attorneys fees and other expenses which the City or its officials, officers, employees, agents or volunteers may sustain or incur as a consequence of or in any way relate to Chamber, or its employees', agents' and subcontractors' performance of Chamber's responsibilities and obligations contained in this Agreement. This indemnification shall survive the termination of this Agreement.

8. **INSURANCE REQUIREMENTS.**

a. Chamber will, during the term of this Agreement, maintain insurance coverage which shall be at least as broad as:

- (1) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 0001 1207 covering CGL on an "occurrence" basis, including products-completed operations, personal and advertising injury, with limits no less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000) per occurrence. Alternatively, Chamber may maintain a CGL policy with limits of no less than

ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per occurrence and an umbrella coverage policy with coverage limits of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) and which has a scope of coverage as broad as Chamber's CGL policy. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

- (2) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Chamber has no owned autos, hired (Code 8), and non-owned autos (Code 9), with a limit no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury and property damage.
- (3) Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury or disease.
- (4) Carousel/Amusement Device Insurance: Chamber shall maintain carousel/amusement device liability insurance in an amount not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per occurrence for bodily injury and personal injury.
- (5) Umbrella Liability Coverage: Chamber shall also maintain an umbrella liability policy in an amount of not less than SIX

MILLION AND NO/100 DOLLARS (\$6,000,000) to supplement its general liability, automobile liability, and carousel/amusement device insurance policies. Chamber acknowledges that, should Chamber and the City agree to further expand Chamber's services to include the transportation of visitors, tourists, or other individuals, Chamber and the City will execute an amendment to this Agreement and that City may require Chamber to maintain umbrella liability coverage with a limit in excess of SIX MILLION AND NO/100 DOLLARS (\$6,000,000).

If Chamber maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by Chamber.

- b. Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require Chamber to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. Alternatively, the City may require Chamber to provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses within the retention.
- c. The policies are to contain, or be endorsed to contain, the following provisions:

- (1) The City and its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL and umbrella policies with respect to liability arising out of work or operations performed by or on behalf of Chamber including materials, parts, or equipment furnished in connection with such work or operations; products used by Chamber; or automobiles owned, leased, hired or borrowed by Chamber. General liability coverage can be provided in the form of an endorsement to Chamber's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.
 - (2) For any claims related to this Agreement, Chamber's insurance coverage shall be primary insurance with respect to the City and its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City and/or its officers, officials, employees, or volunteers shall be in excess of Chamber's insurance and shall be non-contributory.
 - (3) Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.
- d. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

- e. Chamber shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Chamber's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- f. Chamber hereby grants to City and its officers, officials, employees, and volunteers a waiver of any right to subrogation which any insurer of said Chamber may acquire against the City and/or its officers, officials, employees, and volunteers by virtue of the payment of any loss under such insurance. Chamber agrees to obtain endorsements necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.
- g. The City reserves the right to modify the insurance requirements contained in this contract, including, without limitation, coverage limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- h. Chamber shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

9. **INDEPENDENT CONTRACTOR STATUS.** It is understood and agreed that Chamber, in the performance of this Agreement, shall act as and be an independent contractor and shall not act as an agent or employee of the City. Chamber and its employees shall obtain no retirement benefits or other benefits that accrue to the City's employees and Chamber hereby expressly waives any claim it may have to any such rights. Nothing in this Agreement shall create or be construed as creating a partnership, joint venture or any other relationship between the City and Chamber.

10. **NOTICES.** All notices herein required shall be in writing and shall be sent by certified mail, postage prepaid, addressed as follows:

Chamber of Commerce
113 Court St., Ste. #104
Hanford, CA 93230
Attn: Executive Director

City of Hanford
319 N. Douty Street
Hanford, CA 93230
Attn: City Manager

11. **CONFORMANCE TO APPLICABLE LAWS.** Chamber shall comply with all applicable federal, state, and city laws, rules and ordinances. No discrimination shall be made by Chamber in the employment of persons to work under this Agreement because of race, color, national origin ancestry, sex or religion of such person.

12. **ATTORNEYS' FEES.** If an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other reasonable relief to which he may be entitled. With respect to any suit, action or proceeding arising out of or related to this Agreement, or the documentation related hereto, the parties hereby submit to the jurisdiction and venue of the Superior Court, for the County of Kings, State of California for any proceeding arising hereunder.

13. **SOLE AND ONLY AGREEMENT.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the matters set forth herein and contains all of the covenants and agreements between the parties regarding said matters. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on behalf of any party which is not embodied in the Agreement and no other agreement, statement or promise shall be valid or binding.

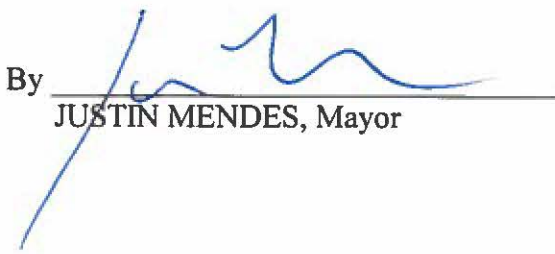
14. **INVALIDITY.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in anyway.

15. **AMENDMENT.** No change, amendment or modification of the Agreement shall be valid unless the same be in writing and signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first identified below.

CITY OF HANFORD, a municipal corporation,

Dated: May 17, 2016

By 
JUSTIN MENDES, Mayor

ATTEST:


JENNIFER GOMEZ, City Clerk

APPROVED AS TO FORM:

GRISWOLD, LaSALLE, COBB
DOWD & GIN, L.L.P., City Attorney

By: 
TY N. MIZOTE

CHAMBER OF COMMERCE

Dated: June 24, 2016

By , Board President

Attachment: 7.1.16 Chamber Agreement (Council: Chamber Contract Termination)

EXHIBIT "A"***Carousel Operation Schedule***

The Chamber shall operate the Carousel described in Section 3.c. above on the following dates during the term of this Agreement unless otherwise agreed by the parties:

1. Saturdays during the hours of 10:00 a.m. and 2:00 p.m.
2. Sundays during the hours of 12:00 p.m. and 2:00 p.m.
3. Thursday evenings during the hours that Thursday Night Market Place operates. The Chamber will not be required to operate the Carousel on a Thursday evening unless Thursday Night Market Place occurs on such date).
4. Holidays recognized by the State of California during the hours of 10:00 a.m. and 2:00 p.m., with the exception of Thanksgiving day, Christmas day, and New Year's day.

FIRST AMENDMENT TO SERVICES AGREEMENT

* * * * *

This First Amendment to Services Agreement ("**First Amendment**") is effective the 21st day of January, 2020 by and between the CITY OF HANFORD, a municipal corporation ("**City**"), and HANFORD CHAMBER OF COMMERCE, a California non-profit corporation ("**Chamber**"). This First Amendment amends that Services Agreement ("**Agreement**") executed by City and Chamber, which was effective January 21, 2014. The terms and provisions of the Agreement are incorporated herein by reference.

1. Section 3 of the Agreement is hereby deleted in its entirety and is restated as follows:

"During the term hereof, Chamber shall undertake to provide services that benefit City and businesses operating within City's boundaries, including, but not limited, to the services identified on the attached Exhibit 'A,' which is incorporated herein by reference."

2. Exhibit "A" to the amended Agreement is attached hereto as Exhibit "A," which is incorporated herein by reference.
3. Section 8 of the Agreement is hereby deleted in its entirety and is restated as follows:

"8. INSURANCE REQUIREMENTS.

- "a. Chamber will, during the term of this Agreement, maintain insurance coverage which shall be at least as broad as:

"(1) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 0001 1207 covering CGL on an 'occurrence' basis, including products-completed operations, personal and advertising injury, with limits no less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000) per occurrence. Alternatively, Chamber may maintain a CGL policy with limits of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per occurrence and an umbrella coverage policy with coverage limits of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) and which has a scope of coverage as broad as Chamber's CGL policy. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this Agreement or the general aggregate limit shall be FOUR MILLION AND NO/100 DOLLARS (\$4,000,000).

“(2) Automobile Liability: If one (1) or more automobile will be utilized in the performance of the Services, Chamber shall maintain ISO Form Number CA 00 01 covering any auto (Code 1), or if Chamber has no owned autos, hired (Code 8), and non-owned autos (Code 9), with a limit no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury and property damage.

“(3) Workers’ Compensation: as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with a limit of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury or disease.

“If Chamber maintains higher limits than the minimums shown above, City requires and shall be entitled to coverage for the higher limits maintained by Chamber.

“b. Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require Chamber to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. Alternatively, City may require Chamber to provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses within the retention.

“c. The policies are to contain, or be endorsed to contain, the following provisions:

(1) City and its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL and automobile policies with respect to liability arising out of work or operations performed by or on behalf of Chamber including materials, parts, or equipment furnished in connection with such work or operations; products used by Chamber; or automobiles owned, leased, hired or borrowed by Chamber for purposes of performing services hereunder. General liability coverage can be provided in the form of an endorsement to Chamber’s insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used. The coverage shall contain no special limitations on the scope of protection afforded

to the City and its officers, officials, employees or volunteers.

“(2) For any claims related to this Agreement, Chamber’s insurance coverage shall be primary insurance with respect to City and its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by City and/or its officers, officials, employees, or volunteers shall be in excess of Chamber’s insurance and shall be non-contributory.

“(3) Each insurance policy required above shall provide that coverage shall not be canceled or modified without prior notice to City.

“d. Insurance is to be placed with insurers with a current A.M. Best’s rating of no less than A:VII.

“e. Chamber shall furnish City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Chamber’s obligation to provide them. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

“f. Chamber hereby grants to City and its officers, officials, employees, and volunteers a waiver of any right to subrogation which any insurer of Chamber may acquire against City and/or its officers, officials, employees, and volunteers by virtue of the payment of any loss under such insurance. Chamber agrees to obtain endorsements necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

“g. Chamber shall include all subcontractors as insureds under its policies, or, if subcontractors maintain separate coverage, Chamber shall furnish to City separate certificates and endorsements for each subcontractor. The insurance policies of subcontractors shall satisfy all of the requirements stated herein.”

4. All other terms and provisions of the Agreement not otherwise modified by this First Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Services Agreement at Hanford, Kings County, California.

CITY OF HANFORD

Dated: January 30, 2020

By: _____


JOHN DRAXLER
Mayor

HANFORD CHAMBER OF COMMERCE

Dated: January 30, 2020

By: _____


JOHN UMSCHIED
Board President

Attachment: 2020 Hanford Chamber of Commerce Agreement (Council: Chamber Contract Termination)

EXHIBIT "A"***Chamber Member Services Provided:***

Listing on the Chamber website with links to their website
 Social Media Promotion
 Luncheon/Networking Meetings
 Chamber Mixers
 Referrals for products & services to member businesses
 Links from Chamber's website to business website
 Member's business cards/pamphlets displayed at the Chamber
 Business Workshops/Seminars
 HR Compliance Posters
 Banner ads on our Website-(for a fee)
 Free Listings in Business & Membership Guide Publication
 Certificates of Origin
 Membership/Mailing List & Mailing Labels
 HR & Legislative Updates: Local, County, State & Federal
 SBA Information and Workshops
 EDD/EAC Updates and Workshops
 Candidate Forums preceding local elections & Candidate Training Seminars
 Advocacy in Support of Business Issues
 Member to Member Business Support
 Coordination of Christmas Parade
 KJUG Country Concerts in co-operation with Hanford Parks and Recreation Dept.

Develop and implement events outside of Downtown Improvement District

City of Hanford Business Retention Benefits Provided

Business financing direction

Identifying permit licensing agencies

Addressing industry specific issues

Create a step by step guide to initiating a business license within the City

Advocacy for incoming industry

THIRD AMENDED AND RESTATED SERVICES AGREEMENT

* * * * *

THIS AGREEMENT, made and effective the 1st day of **July, 2012**, by and between the **CITY OF HANFORD**, a municipal corporation (hereinafter "City"), and the **CHAMBER OF COMMERCE** of the City of Hanford, a California non-profit corporation duly organized and existing under and by virtue of the laws of the State of California (hereinafter "Chamber").

W I T N E S S E T H

In consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. **RECITALS.** This agreement is made and entered into with respect to the following facts:

- a. The Chamber is organized for the purpose of promoting the social, civic, and economic welfare of the City and vicinity;
- b. City is desirous of promoting its advantages as a commercial and industrial center, by disseminating information relative thereto and of soliciting and serving inquiries relative to its possibilities of receiving new commercial and industrial concerns, and providing assistance to existing firms in their growth and expansion plans;
- c. The City is desirous of promoting, soliciting, and serving inquiries relative to visiting the community and connecting visitors with existing businesses.

- d. Chamber operates by and through its board of directors and possesses special knowledge, experience, and facilities for developing and servicing a healthy commercial and industrial community and for developing and servicing visitors; and
- e. The City desires to engage Chamber for the purpose of publicizing and advertising the advantages of the City.
- f. This Third Amended and Restated Services Agreement supersedes that Second Amended and Restated Services Agreement previously executed by the parties.

2. TERM.

- a. The term of this Agreement shall be effective from July 1, 2012, until June 30, 2014, except that this Agreement may be terminated by either party as provided herein.
- b. Should Chamber breach any term or condition of this Agreement or fail to perform any of the provisions of this Agreement that it is obligated to perform hereunder, the City shall have the right to immediately terminate this Agreement.
- c. The City or Chamber may terminate this Agreement at any time by giving sixty (60) days prior written notice of termination. The termination shall be effective on the sixty-first (61st) day after the date of such written notice. Effective the date of written notice of termination, the City shall not provide any further funding to Chamber. Money distributed to Chamber and remaining unspent upon the date of termination shall be

returned to the City on the date of termination; provided however, Chamber will be entitled to compensation for costs incurred and services provided to the City through the date of termination.

3. **SERVICES:** During the term hereof, the Chamber shall undertake to provide for the benefit of the City services (“Services”) that will advertise and publicize the resources and advantages of the City, including, but not limited to, the following:

- a. The assembly, publication and distribution of information relative to the resources and benefits of the City in an advertising program under the direction of the Board of Directors of the Chamber, which advertising shall be designed to attract new businesses, industries, tourists and travelers to the City;
- b. Engage in business and industrial marketing and outreach efforts, which will include, without limitation:
 - (1) Servicing of unsolicited inquiries;
 - (2) Maintain a close liaison with existing business, industry and government agencies to assist in the further expansion and development of the business and industry of the community;
 - (3) Encourage local businesses and industries to correspond with and invite their manufacturer’s jobbers and wholesalers to investigate the benefits of locating in the City;
 - (4) To have available for business and industry current facts and to maintain a research program in regard to the possibility and advantages of new production;

- (5) Encourage prospects or others who have or may show an interest in the City, in person, by mail and/or by telephone;
 - (6) Encourage prospects or others who may show an interest in the City to visit the City for firsthand information and inspection;
 - (7) Encourage public officials and businessmen to work in teams to call upon potential prospects;
- c. As of April 1, 2013, engage in tourism and travel outreach efforts, which will include, without limitation:
- (1) Assemble, publish and distribute information through an organized advertising program designed to attract conferences and visitors to the City;
 - (2) Promote and coordinate conferences and conference-related activities;
 - (3) Promote and coordinate a school visitation program;
 - (4) Coordinate and provide transportation for visiting groups;
 - (5) Operate the carousel located in Courthouse Square (in the vicinity of the northeast corner of the Eighth Street and Irwin Street intersection) at the times identified in the attached Exhibit "A," which is incorporated by reference; maintain, repair, and refurbish the carousel so that it is placed and remains in good operating and aesthetic condition; and manage all financial matters associated with the carousel; provided however, the City will, at its sole cost and expense:

- (i) inspect on a weekly basis, and
- (ii) lubricate, and make minor adjustments and repairs to the carousel. "Minor adjustments and repairs" shall be limited to those adjustments and repairs not exceeding FIVE HUNDRED AND NO/100 Dollars (\$500.00) for parts, supplies, labor, and other costs for a single adjustment or repair event. All other costs associated with maintenance, repairs, parts, and labor shall be the sole responsibility of Chamber;
- (6) Develop and market special visitor tours;
- (7) Act as liaison with Amtrak;
- (8) Act as community's liaison to the film industry; and
- d. At meetings scheduled by the City, Chamber's Executive Director shall meet quarterly with representatives of the City and private organizations to plan and coordinate activities and schedule of events; and
- e. Perform such other and additional promotional services as the City may reasonably request.

Should Chamber utilize the 1950 Studebaker fire truck ("Fire Truck") currently owned by the Hanford Conference and Visitor Agency, which truck is commonly known as "Freddy," for the transportation of visiting groups or is used in connection with any other service that Chamber provides hereunder, Chamber shall, prior to utilizing the Fire Truck for any such services, install seat belts for each passenger carried on the Fire Truck, a metal gate at the rear of exterior passenger area, and other safety features and devices identified by the City for the protection of

Fire Truck passengers.

4. **REPORTS.** Chamber will submit written activity reports to the City within five (5) business days of the end of each quarter. The reports will generally describe Chamber's activities and the services provided by Chamber to the City during the preceding quarter.

5. **COMPENSATION.**

- a. Pursuant to the parties' First Amended and Restated Services Agreement, the City previously paid Chamber a total of TWENTY-SEVEN THOUSAND, FIVE HUNDRED FORTY AND NO/100 DOLLARS (\$27,540.00) for services, with the exception of those services identified in Section 3.c. above, to be provided by Chamber during the period July 1, 2012 through June 30, 2013. Chamber acknowledges that this amount has been paid in full by the City.
- b. The parties acknowledge that, as of April 1, 2013, Chamber's duties and responsibilities expanded to include those services identified in Section 3.c. above. Beginning on April 1, 2013 and for each subsequent quarter during the term of this Agreement, the City will pay Chamber in advance a total of TWENTY-ONE THOUSAND, EIGHT HUNDRED EIGHTY-FIVE AND NO/100 DOLLARS (\$21,885.00) per quarter for all services described in Section 3 above, including the additional duties outlined in Section 3.c. above. The City's payments shall be due on July 1, October 1, January 1, and April 1 during the term of this Agreement. The fees paid to the Chamber for any partial quarter will be prorated.

- c. With respect to the quarter beginning on April 1, 2013 and ending on June 30, 2013, the Chamber acknowledges that the City has paid a total of TWENTY-ONE THOUSAND, EIGHT HUNDRED EIGHTY-FIVE AND NO/100 DOLLARS (\$21,885.00) in installments of SIX THOUSAND, EIGHT HUNDRED EIGHTY-FIVE AND NO/100 DOLLARS (\$6,885.00) and TWENTY-ONE THOUSAND AND NO/100 DOLLARS (\$21,000.00), respectively. The Chamber has been paid in full for the services to be provided during the quarter beginning on April 1, 2013 and ending on June 30, 2013.
- d. Should Chamber breach any term or condition of this Agreement or fail to perform any of the provisions of this Agreement that it is obligated to perform hereunder, the City shall have the right to withhold future compensation to Chamber until any such breach is cured or performance made as determined by the City in its sole and absolute discretion.
- e. As additional consideration for the services that Chamber will provide to the City hereunder, Chamber and the City will amend the Chamber's lease covering 113 Court Street, Suite 104 ("Lease") to reduce the rent paid by Chamber to ONE AND NO/100 DOLLAR (\$1.00) for the period July 1, 2013 through June 30, 2014. The parties agree that Chamber's breach of this Agreement shall constitute a breach under the Lease, and Chamber's breach of the Lease shall constitute a breach under this Agreement.

6. **LIAISON.** The City shall appoint a liaison with whom Chamber may communicate. The City will provide its liaison's name to Chamber and will advise Chamber if such person is replaced.

7. **INDEMNIFICATION.** Chamber agrees to indemnify, defend and hold harmless the City and its officials, officers, employees, agents and volunteers from and against all claims, demands, actions, injuries, liabilities, losses, costs or damages, direct or indirect, and any and all attorneys fees and other expenses which the City or its officials, officers, employees, agents or volunteers may sustain or incur as a consequence of or anyway relate to Chamber, or its employees', agents' and subcontractors' performance of Chamber's responsibilities and obligations contained in this Agreement. This indemnification shall survive the termination of the Agreement.

8. **INSURANCE REQUIREMENTS.**

a. Chamber will, during the term of this Agreement, maintain insurance coverage which shall be at least as broad as:

- (1) Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 0001 1207 covering CGL on an "occurrence" basis, including products-completed operations, personal and advertising injury, with limits no less than TWO MILLION AND NO/100 DOLLARS (\$2,000,000) per occurrence. Alternatively, Chamber may maintain a CGL policy with limits of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per occurrence and an umbrella coverage policy with coverage limits of no less than ONE MILLION AND NO/100 DOLLARS

(\$1,000,000) and which has a scope of coverage as broad as Chamber's CGL policy. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

- (2) **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Chamber has no owned autos, hired (Code 8), and non-owned autos (Code 9), with a limit no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury and property damage.
- (3) **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per accident for bodily injury or disease.
- (4) **Carousel/Amusement Device Insurance:** Chamber shall maintain carousel/amusement device liability insurance in an amount not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000) per occurrence for bodily injury and personal injury.
- (5) **Umbrella Liability Coverage:** Chamber shall also maintain an umbrella liability policy in an amount of not less than SIX MILLION AND NO/100 DOLLARS (\$6,000,000) to supplement its general liability, automobile liability, and carousel/amusement device insurance policies. Chamber acknowledges that, should

Chamber and the City agree to further expand Chamber's services to include the transportation of visitors, tourists, or other individuals, Chamber and the City will execute an amendment to this Agreement and that City may require Chamber to maintain umbrella liability coverage with a limit in excess of SIX MILLION AND NO/100 DOLLARS (\$6,000,000).

If Chamber maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by Chamber.

- b. Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require Chamber to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. Alternatively, the City may require Chamber to provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses within the retention.
- c. The policies are to contain, or be endorsed to contain, the following provisions:
 - (1) The City and its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL and umbrella policies with respect to liability arising out of work or operations performed by or on behalf of Chamber including materials, parts,

or equipment furnished in connection with such work or operations; products used by Chamber; or automobiles owned, leased, hired or borrowed by Chamber. General liability coverage can be provided in the form of an endorsement to Chamber's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.

- (2) For any claims related to this Agreement, Chamber's insurance coverage shall be primary insurance with respect to the City and its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City and/or its officers, officials, employees, or volunteers shall be in excess of Chamber's insurance and shall be non-contributory.
- (3) Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

- d. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.
- e. Chamber shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the

required documents prior to the work beginning shall not waive the Chamber's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

- f. Chamber hereby grants to City and its officers, officials, employees, and volunteers a waiver of any right to subrogation which any insurer of said Chamber may acquire against the City and/or its officers, officials, employees, and volunteers by virtue of the payment of any loss under such insurance. Chamber agrees to obtain endorsements necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.
- g. The City reserves the right to modify the insurance requirements contained in this contract, including, without limitation, coverage limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- h. Chamber shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

9. **INDEPENDENT CONTRACTOR STATUS.** It is understood and agreed that Chamber, in the performance of this Agreement, shall act as and be an independent contractor and shall not act as an agent or employee of the City. Chamber and its employees shall obtain no retirement benefits or other benefits that accrue to the City's employees and Chamber hereby expressly waives any claim it may have to any such rights. Nothing in this Agreement shall

create or be construed as creating a partnership, joint venture or any other relationship between the City and Chamber.

10. **NOTICES.** All notices herein required shall be in writing and shall be sent by certified mail, postage prepaid, addressed as follows:

Chamber of Commerce
113 Court St., Ste. #104
Hanford, CA 93230
Attn: Executive Director

City of Hanford
319 N. Douty Street
Hanford, CA 93230
Attn: City Manager

11. **CONFORMANCE TO APPLICABLE LAWS.** Chamber shall comply with all applicable federal, state, and city laws, rules and ordinances. No discrimination shall be made by Chamber in the employment of persons to work under this Agreement because of race, color, national origin ancestry, sex or religion of such person.

12. **ATTORNEYS' FEES.** If an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other reasonable relief to which he may be entitled. With respect to any suit, action or proceeding arising out of or related to this Agreement, or the documentation related hereto, the parties hereby submit to the jurisdiction and venue of the Superior Court, for the County of Kings, State of California for any proceeding arising hereunder.

13. **SOLE AND ONLY AGREEMENT.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the matters set forth herein and contains all of the covenants and agreements between the parties regarding said matters. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or in writing, have been made by any party or anyone acting on

behalf of any party which is not embodied in the Agreement and no other agreement, statement or promise shall be valid or binding.

14. **INVALIDITY**. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in anyway.

15. **AMENDMENT**. No change, amendment or modification of the Agreement shall be valid unless the same be in writing and signed by the parties hereto.

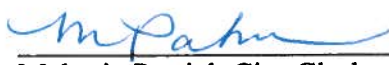
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first identified below.

CITY OF HANFORD, a municipal corporation,

Dated: August 23, 2013

By 
Lou Martinez, Mayor

ATTEST:


Melonie Patrick City Clerk

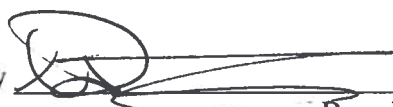
APPROVED AS TO FORM:

GRISWOLD, LaSALLE, COBB
DOWD & GIN, L.L.P., City Attorney

By: 
Ty N. Mizote [name]

CHAMBER OF COMMERCE

Dated: August 23, 2013

By 
_____, Board President

Attachment: 2012 Chamber Agreement (Council: Chamber Contract Termination)

EXHIBIT "A"***Carousel Operation Schedule***

The Chamber shall operate the Carousel described in Section 3.c. above on the following dates during the term of this Agreement unless otherwise agreed by the parties:

1. Saturdays during the hours of 10:00 a.m. and 2:00 p.m.
2. Sundays during the hours of 12:00 p.m. and 2:00 p.m.
3. Thursday evenings during the hours that Thursday Night Market Place operates. The Chamber will not be required to operate the Carousel on a Thursday evening unless Thursday Night Market Place occurs on such date).
4. Holidays recognized by the State of California during the hours of 10:00 a.m. and 2:00 p.m., with the exception of Thanksgiving day, Christmas day, and New Year's day.

HANFORD

The Hanford Chamber of Commerce has been in the rebuilding mode for approximately 5 years. The Board of Directors 5 years ago took over the operation of the chamber. At that time there were about 315 members. Through a lot of hard work that membership has grown to 550 members. Not only has our membership grown but our commitment to the City of Hanford has become our #1 priority. We have taken on several new events over these last 5 years: Fireworks, The Hanford Visitor Agency, Hanford Christmas Parade, Homecoming, Carousel and Fire Truck.

As you look through the attachments you can see we keep busy not only with our own events but helping with other organizations events. The chamber is always looking for opportunities to better Hanford. In 2016 our goal is to reestablish a working relationship with Amtrak to increase visitors to Hanford, increase training opportunities, and increase our participation in more community activities.

Without the City of Hanford's support, many of these activities would not be possible. As membership and revenues increase the chamber will continue to add events, networking and training opportunities to our membership.

If you would like more information about the chamber or have any questions, concerns, or requests please call.

Mike Bertaina
(559) 582-0483 (cell) 707-1263

Hanford Chamber of Commerce 2015

Just a list of some of the events/programs the Hanford Chamber of Commerce will have accomplished by the end of 2015.

- Lucha Xtreme Wrestling (2)
- Man and Woman of the Year
- Pink Diamond Fashion Show
- Pioneer Days (Homecoming)
- Cinco de Mayo Festival
- Free Community Fireworks Show
- KJUG Concert (3)
- Public Safety Appreciation Luncheon
- Hanford Christmas Parade 11-27-2015
- Charity Christmas Tree Auction 12-10-2015
- Car Show on Irwin Street 12-12-2015

Events we helped/participated in 2015

- City of Hanford Employee Dinner
- Grand Opening – Hanford Veterinary Hospital
- Everybody's Irish in Hanford
- Spring Kids Fest
- Melco Dance (2)
- Hobby Lobby Grand Opening
- National Night Out, Food Give Away
- Chile Cook-off (First Place)
- Renaissance Fair
- Kings County Farm Bureau Dinner
- Witches Night Out
- Dairy Association Dinner
- K9 fund raiser at Kings Gun Center
- Wine and Chocolate
- CHP Christmas Party
- Hanford Police Dept Christmas Party
- Adventist Health Christmas Party
- Habit Grand Opening

Training/Miscellaneous provided by the Hanford Chamber of Commerce

- Quick Books
- Sexual Harassment Workshop
- Small Business Development Workshop
- Provide counseling services through the Small Business Development Center
- Provide networking opportunities through monthly Mixers, weekly lunches, and ribbon cuttings.
- Provide Freddy the Fire Truck and Carousel to the citizens of Hanford as well as visitors. (parties, pictures, tours)
- Continue our end of the year school field trip program
- Work in conjunction with the City of Hanford by sharing the cost of the KJUG Concerts, Ad in the LNAS Directory, and new Christmas Lights for Downtown.
- Established 4 Scholarships
- A registered Farmers Market with Kings County and the California Department of Food and Agriculture.

Anticipated events in 2016

- Lucha Xtreme Wrestling
- Man and Woman of the Year
- Pink Diamond Fashion Show
- Pioneer Days – We will use Pioneer Days in May to kick off Hanford's 125th birthday. The chamber will be having some type of event each month until Hanford's birthday in August.
- Community Fire Works Show – special show for Hanford's 125th birthday.
- KJUG Concerts (3)
- Public Safety Appreciation Luncheon
- Christmas Parade
- Christmas Tree Auction
- Haunted Hanford Halloween Party
- Trunk or Treat with local car clubs
- Ladies Night Out
- Food Truck Vendor Fair
- Scarecrow Display around Court House in October (google Cambria).
- Valentine's Day Party

Future Plans / Ideas

When we hire our School Field Trip Coordinator have them work Tuesday through Saturday in order to keep the office open on Saturdays. We will also have Hanford shirts, cloth bags, and other Hanford items available.

Increase Carousel and Fire Truck use on Saturdays during the Holiday Season.

Install monitor at Amtrak station. Monitor will scroll showing local events, location of Historic buildings. We could also let local vendors put information on it.

Work with the Hanford Mall to be able have an event at their location.



**AGENDA
STAFF REPORT**

MEETING DATE: 10/19/2021	AGENDA SECTION:
---------------------------------	------------------------

SUBJECT:
Council Future Agenda Items

FISCAL IMPACT:

ATTACHMENTS:
Council Future Agenda Items

Council Future Agenda Items				
Originated Date	Item	Originator	Staff Lead	Date Estimate
4/7/20	Discussion of Pay for Parking Options in the Downtown Area	Council Consensus	John Doyel	After presentation of Downtown Plan
9/9/20	Revised Refuse Ordinance	Public Works	Jim Ross	11/16/2021
6/18/20	Discussion of Courthouse improvements and financing options	Council Consensus	Brad Albert	Delayed pending additional building review
8/17/2021	Overview of City Code Enforcement and discussion on Blighted Areas and Nuisance issues	Council Consensus	Various Staff	11/2/2021