

ORDINANCE NO. 614

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTEE, CALIFORNIA, AMENDING CHAPTER 7.04 OF TITLE 7 OF THE SANTEE MUNICIPAL CODE TO ALLOW CANNABIS MANUFACTURING AS A STANDALONE USE IN LIGHT INDUSTRIAL AND GENERAL INDUSTRIAL ZONES AND PROHIBIT MANUFACTURING OF VOLATILE MATERIALS AND FINDING THE ORDINANCE IS COVERED BY THE MITIGATED NEGATIVE DECLARATION PREVIOUSLY APPROVED FOR THE SANTEE CANNABIS BUSINESS ORDINANCE PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, in July 2022, the City Council adopted a Mitigated Negative Declaration (“MND”) and Mitigation Monitoring and Reporting Program for the Santee Cannabis Business Ordinance (State Clearinghouse No. 2022060058) and approved the Cannabis Business Ordinance project; and

WHEREAS, the MND analyzed cannabis manufacturing as a stand-alone use at four facilities; and

WHEREAS, in August 2022, the City Council enacted Ordinance 602, the Cannabis Business Ordinance, in the City of Santee. Ordinance 602 allows the issuance of cannabis business permits of up to four (4) retailers, including microbusinesses that include storefront retail activities, and to an unrestricted number of testing laboratories or microbusinesses that do not include storefront retail; and

WHEREAS, as originally enacted, Ordinance 602 did not allow for cannabis manufacturing as a stand-alone business; and

WHEREAS, on January 24, 2024, the City Council held a workshop to discuss whether cannabis manufacturing should be allowed as a standalone use and thereafter directed staff to bring back amendments to Ordinance 602 to allow for such a use within the Light Industrial and General Industrial zones of the City; and

WHEREAS, on January 24, 2024, the City Council further directed staff to bring back amendments to Ordinance 602 to prohibit manufacturing of volatile materials; and

WHEREAS, this ordinance amends Ordinance 602 to conform with City Council’s direction; and

WHEREAS, the City Council has reviewed and considered the information contained in the administrative record for the proposed Ordinance; and

WHEREAS, the administrative record has been completed in compliance with CEQA, the State CEQA Guidelines, and the City’s Local CEQA Guidelines; and

WHEREAS, based on the independent judgment of the City Council, the approval of the proposed Ordinance is covered by the 2022 MND prepared for the Santee Cannabis Business Ordinance and no further environmental review is required for the proposed Ordinance pursuant to Public Resources Code Section 21166 and State CEQA Guidelines Section 15162; and

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WHEREAS, the proposed ordinance is also exempt from CEQA pursuant to CEQA Guidelines Section 15305 because modifying an allowed standalone land use constitutes a minor change in land use limitations consistent with said Guidelines.

NOW, THEREFORE, the City Council of the City of Santee does ordain as follows:

SECTION 1. Recitals Incorporated. The above recitals are true and correct and are incorporated herein by this reference as material findings in support of this Ordinance.

SECTION 2. Amendments. Amendments to Title 7 of the Code are set forth below.

Section 7.04.060 is amended to update relevant definitions as follows:

7.04.060 Definitions.

...

“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 Cannabis Business Permit for manufacturing from the City and a valid state license as required for manufacturing of cannabis products. As used in this chapter, “manufacturing” or “manufacturing site” does not include the use of volatile solvents and this chapter does not permit manufacturing that would require a Type 7 License under State Law.

...

“Volatile solvent” means a solvent as defined by Health and Safety Code Section 11362.3(b)(3) as of the effective date of this chapter and as subsequently amended. Under this chapter, use of volatile solvents as part of the manufacturing process is prohibited.

Section 7.04.100 is amended to read as follows:

7.04.100 Maximum number and type of authorized cannabis businesses permitted; other uses prohibited.

This section is only intended to create a maximum number and to specify the only types of cannabis businesses that may be issued permits to operate in the City. All other cannabis uses are prohibited.

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A. After the effective date of this Ordinance, the City shall only issue Cannabis Business Permits (consistent with this chapter) for up to four Retailers, including microbusinesses that include storefront retail activities. There is no limit on the number of Cannabis Business Permits that the City may issue to testing laboratories, manufacturing (non-volatile only) or microbusinesses that do not include storefront retail.

B. Each year following the City Council's initial grant of Permits (if any), or at any time in the City Council's discretion, the City Council may reassess the number of Cannabis Business Permits which are authorized for issuance and may make changes to the number by resolution.

C. The City Council at its sole discretion may determine that the number and / or types of Cannabis Business Permits should remain the same or be modified.

Section 7.04.290 (A) and (B) are amended to read as follows:

7.04.290 Zoning and location requirements for cannabis businesses.

Cannabis businesses permitted to engage in retail, distribution, manufacturing, testing labs, and microbusiness operations for cannabis and cannabis products are also subject to the following zoning and locational requirements of this chapter. Not all of the types of cannabis businesses listed below are currently uses that are allowed by permit in the City.

A. Distribution, manufacturing (non-volatile only), testing laboratories and microbusiness that do not include storefront retail activities are only permitted in the following zone districts: IL (Light Industrial) and IG (General Industrial), and must satisfy all the applicable requirements set forth in Title 13 of this Code. Distribution that is not part of a permitted microbusiness is not currently a use that is allowed by permit in the City.

B. Retail businesses (including microbusinesses that include storefront retail activities but do not include cultivation) are only permitted in the following zone districts: IL (Light Industrial), IG (General Industrial), and GC (General Commercial), and must meet all the requirements pursuant to Title 13 of this code.

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Land Use	Land Use Designation		
	GC	IL	IG
Distribution (not currently a use that is allowed by permit in the City) manufacturing (non-volatile only)	--	P	P
Microbusinesses with storefront retail and without cultivation	P	P	P
Microbusinesses with cultivation	--	P	P
Storefront Retail	P	P	P
Non-storefront Retail	--	P	P
Testing Labs	--	P	P

The heading for Section 7.04.390 is amended to read as follows:

7.04.390 Operating requirements for distributors (distribution is not a use that is currently eligible for a permit in the City unless as part of an otherwise permitted microbusiness).

7.04.410 (A) and (I) are amended to read as follows:

Section 7.04.410 Operating requirements for cannabis manufacturing.

A. Cannabis manufacturing shall only be permitted pursuant to Section 7.04.070 or any subsequent created manufacturing state license (but not a Type 7 volatile solvent manufacturing license) as defined in MAUCRSA and may be permitted to operate only within those zone districts as defined in the Santee Municipal Code. Cannabis manufacturing permitted under this chapter does not include the use of volatile solvents.

...

I. Cannabis manufacturing facilities may only use non-volatile solvents, including carbon dioxide, ethanol, and nonhydrocarbon-based or other solvents such as water, vegetable glycerin, vegetable oil, animal fat, and glycerin to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

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SECTION 3. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SECTION 4. Publication and Effective Date. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same, or the summary thereof, to be published and posted pursuant to the provisions of law and this Ordinance shall take effect thirty (30) days after passage.

INTRODUCED AND FIRST READ at a Regular Meeting of the City Council of the City of Santee, California, on the 28th day of February 2024, and thereafter **ADOPTED** at a Regular Meeting of the City Council held on this 13th day of March 2024, by the following vote to wit:

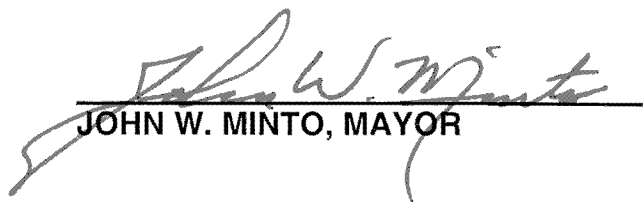
AYES: KOVAL, MCNELIS, MINTO

NOES: HALL

ABSENT: NONE


ABSTAIN: TROTTER

APPROVED:



JOHN W. MINTO, MAYOR

ATTEST:



ANNETTE FAGAN ORTIZ, CMC, CITY CLERK