

To:

Community Dovolonment Department

OF CAMBRIDGE

Community Development Department

To: Louis A. DePasquale, City Manager

From: Iram Farooq, Assistant City Manager for Community Development

Nancy Glowa, City Solicitor

Date: March 22, 2021

CITY

Re: Cannabis Delivery Zoning Amendments

Pursuant to discussion at the Ordinance Committee hearing held on December 9, 2020, attached is a set of suggested zoning text amendments regarding cannabis delivery businesses. This text has been developed by Community Development Department staff in consultation with the Law Department. It is intended to align with regulatory changes adopted by the Cannabis Control Commission ("CCC") in late 2020, and were effective on January 8, 2021, and to incorporate feedback received by City Councillors during and since the December 9, 2020 Ordinance Committee hearing.

The attached text takes a very permissive approach to regulating cannabis delivery businesses, allowing such businesses in Office, Business, and Industry districts. Cannabis Courier Establishments (which store delivery vehicles but do not store cannabis products on-site) would be allowed as-of-right, while Cannabis Delivery Operator Establishments (which store cannabis products and delivery vehicles on-site but do not allow customers to purchase on-site) would require a Planning Board special permit. The intent is to allow the Council to weigh policy considerations during the hearing process, with the potential ability to make the zoning more restrictive without requiring a readvertisement of the petition before possible adoption.

Some potential policy considerations include the following:

- This text would allow cannabis delivery businesses in office districts, where "brick and mortar" cannabis retailers are not allowed. It is not known exactly how these new businesses will affect permitted brick-and-mortar cannabis retailers.
- For a period of 36 months from the date the first licensee receives a notice to commence operations from the CCC, only Economic Empowerment Applicants and Social Equity Program Applicants may receive a Delivery Operator License or Cannabis Courier License at that time. This may result in greater opportunities for a wide variety of prospective cannabis business owners.
- In major retail centers, cannabis delivery businesses could replace vacant retail spaces with uses that do not generate foot traffic. If that occurs, it could impact other retailers and the viability of the retail area more broadly.

IRAM FAROOQ Assistant City Manager for Community Development

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The table on the following pages summarizes key aspects of the proposed zoning change as it relates to the two new categories of cannabis use in addition to the two types of use currently regulated in zoning. The text also includes some minor suggested changes to improve aspects of the existing cannabis use regulations based on experience gained through implementation and changes to state regulations.

This text is submitted for the Council's consideration to refer as a Zoning Petition for public hearings by the Planning Board and Ordinance Committee.

Additionally, attached is a set of suggested amendments to the Cannabis Business Permitting Ordinance, Chapter 5.50 of the Municipal Code, which are intended to allow cannabis delivery as a use and require a Cannabis Business Permit for these cannabis delivery uses. Please note that the suggested amendments do not include Cannabis Courier Establishments and Cannabis Delivery Operator Establishments as establishments that are subject to the two-year preference period for Economic Empowerment Applicants pursuant to Section 5.50.040 of the Municipal Code because CCC licenses for Cannabis Courier Establishments and Cannabis Delivery Operator Establishments are already restricted by the CCC to Economic Empowerment Applicants and Social Equity Program Applicants for a period of 36 months from the date the first licensee receives a notice to commence operations from the CCC.

Staff will be happy to answer any questions either before referral or during the public hearing process if it is referred.

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Establishment Type	Cannabis Retail Store (existing)	Cannabis Production Facility (existing)	Cannabis Courier Establishment (new)	Cannabis Delivery Operator Establishment (new)		
General Definition and Characteristics	 On-site sale of cannabis products to consumers No processing/repackaging Can be non-medical, medical, or both No delivery; can have a colocated "Courier" business, but counts as a separate license (w/in statewide 3-license limit) 	 Any cultivation, manufacturing, processing, or packaging Wholesale distribution only Can include Microbusiness Only allowed up to 10,000 square feet per Cambridge zoning 	 No cannabis products on-site Includes office/dispatch area and parking spaces for vehicle fleet Limited delivery hours, vehicles parked at facility overnight 	 Cannabis products on-site, but no customers on-site No processing/repackaging Includes warehouse/storage area for products and parking spaces for vehicle fleet Limited delivery hours, loading activity regulations 		
Permitted Zoning Districts	 All Business (only Economic Empowerment in BA-1) All Industry 	Industry B-2 only	All OfficeAll BusinessAll Industry	All OfficeAll BusinessAll Industry		
Location Standards	 300-foot buffer from schools and public parks/recreation (unless reduced by Planning Board) 1,800-foot separation from other cannabis retail stores (unless Economic Empowerment) 	300-foot buffer from schools and public parks/recreation (unless reduced by Planning Board)	None additional	300-foot buffer from schools and public parks/recreation (unless reduced by Planning Board)		
Parking/Transportation Standards	 Parking requirements typical of other retail; usually can be waived Operations and Logistics plan approved by TP&T and Police (currently in SP conditions) 	 Low parking requirements typical of other light industry Operations and Logistics plan approved by TP&T and Police 	 Low parking requirements typical of other light industry Off-street parking required for fleet vehicles (not waivable) Operations and Logistics plan approved by TP&T and Police 	 Low parking requirements typical of other light industry Off-street parking required for fleet vehicles (not waivable) Operations and Logistics plan approved by TP&T and Police 		
Review/Approval Process	 Planning Board special permit Criteria: access/egress, loading/service, aesthetic impacts of security measures, storefront activity, service to medical customers 	 Planning Board special permit Criteria: access/egress, loading/service, aesthetic impacts of security measures, storefront activity, service to medical customers 	As-of-rightSubject to standards in 11.800	 Planning Board special permit Criteria: access/egress, loading/service, aesthetic impacts of security measures, storefront activity, service to medical customers 		

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Establishment Type	Cannabis Retail Store (existing)	Cannabis Production Facility (existing)	Cannabis Courier Establishment (new)	Cannabis Delivery Operator Establishment (new)
Local Non-Zoning Requirements	Cannabis Business PermitHost Community Agreement	Cannabis Business PermitHost Community Agreement	Cannabis Business PermitHost Community Agreement	Cannabis Business PermitHost Community Agreement
Planning/Economic Development Considerations	Previously granted special permits need to be amended to allow home delivery from site	None currently in Cambridge; typically requires larger, more remote sites	 Third-party delivery costs to local retailers "Non-storefront" spaces occupying vacancies in retail areas 	 Competition of delivery-only businesses with local cannabis retail "Non-storefront" spaces occupying vacancies in retail areas

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Amend Definitions in Article 2.000 related to Cannabis uses to read as follows:

<u>Cannabis Courier Establishment.</u> An establishment licensed as a Marijuana Courier by the Massachusetts Cannabis Control Commission that is authorized to operate pursuant to that license, including to deliver cannabis or marijuana products, accessories and branded goods from a Cannabis Retail Store to consumers, in accordance with applicable state laws and regulations, but not authorized to sell cannabis or marijuana products directly to consumers.

Cannabis Cultivator. An entity licensed by the Massachusetts Cannabis Control Commission as a Marijuana Cultivator to cultivate, process and package cannabis or marijuana, and to transfer cannabis or marijuana to other Cannabis or Marijuana Establishments, but not to consumers. A Craft Marijuana Cooperative is a type of Marijuana Cultivator, pursuant to 935 CMR 500.000.

Cannabis Delivery Operator Establishment. An establishment licensed as a Marijuana Delivery Operator by the Massachusetts Cannabis Control Commission and authorized to purchase at wholesale and warehouse on the site cannabis or marijuana products acquired from a Cannabis Cultivator, Cannabis Product Manufacturer, Cannabis Microbusiness or Craft Marijuana Cooperative, and to sell and deliver cannabis or marijuana products, accessories and branded goods directly to consumers in accordance with applicable state laws and regulations, but not authorized to repackage cannabis or marijuana products or to sell cannabis or marijuana products to consumers on-site.

Cannabis Dispensary, Registered, also known as Registered Marijuana Dispensary, RMD or Medical Marijuana Treatment Center. An not for profit entity registered licensed under 935 CMR 501.101405 CMR 725.100: Registration of Registered Marijuana Dispensaries that acquires, cultivates, possesses, processes (including development of related products such as edible cannabis products, tinctures, aerosols, oils or ointments), repackages, transfers, transports, sells, distributes, dispenses, or administers cannabis or marijuana products, related supplies, or educational materials to registered qualifying patients or their personal caregivers for medical use in accordance with applicable state laws and regulations. Unless otherwise specified, RMD refers to the site(s) of dispensing, cultivation, and preparation of cannabis or marijuana for medical use.

Cannabis Establishment. A Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, <u>Marijuana Microbusiness</u>, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, <u>Delivery Licensee</u> or any other type of marijuana-related business licensed by the Massachusetts Cannabis Control Commission, except a medical marijuana treatment center.

Cannabis Independent Testing Laboratory. A laboratory that is licensed by the Massachusetts Cannabis Control Commission <u>as an Independent Testing Laboratory</u> and is <u>operating in accordance with applicable state laws and regulations</u>:

- (a) accredited to the International Organization for Standardization 17025 (ISO/IEC 17025: 2017) by a third-party accrediting body that is a signatory to the International Laboratory Accreditation Accrediting Cooperation mutual recognition arrangement or that is otherwise approved by the Commission;
- (b) independent financially from any Medical Marijuana Treatment Center (RMD), Cannabis or Marijuana Establishment or licensee for which it conducts a test; and
- (c) qualified to test cannabis or marijuana in compliance with 935 CMR 500.160 and M.G.L. c. 94C, § 34.

Cannabis Microbusiness. A co-located Cannabis or Marijuana Establishment that can be either a Tier 1 Marijuana Cultivator or Product Manufacturer or both, pursuant to 935 CMR 500.00, in compliance with the operating procedures for each license and, if in receipt of a Delivery Endorsement issued by the Cannabis Control Commission, may deliver Cannabis or Cannabis Products produced at the licensed location directly to Consumers in compliance with established regulatory requirements for retail sale as it relates to delivery. A Microbusiness that is a Cannabis Marijuana Product Manufacturer may purchase no

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more than 2,000 pounds of marijuana per year from other Cannabis Marijuana Establishments, pursuant to 935 CMR 500.000.

Cannabis Product Manufacturer. An entity licensed by the Massachusetts Cannabis Control Commission as a Marijuana Product Manufacturer to obtain, manufacture, process and package cannabis or marijuana products and to transfer these products to other Cannabis or Marijuana Establishments, but not to consumers.

Cannabis Production Facility. An establishment authorized to cultivate, manufacture, process, or package cannabis or marijuana products, in accordance with applicable state laws and regulations. A Cannabis Production Facility may be licensed to operate as a Cannabis Of Marijuana Cultivator, or Cannabis or Marijuana Product Manufacturer, or registered as a Medical Marijuana Treatment Center (also known as a Registered Marijuana Dispensary or RMD), or both, in accordance with applicable state laws and regulations.

Cannabis Products. Cannabis or marijuana and its products unless otherwise indicated. These include products that have been manufactured and contain cannabis or marijuana or an extract from cannabis or marijuana, including concentrated forms of cannabis or marijuana and products composed of cannabis or marijuana and other ingredients that are intended for use or consumption, including edible products, beverages, topical products, ointments, oils and tinctures.

Cannabis Research Facility. An entity licensed to engage in research projects by the Massachusetts Cannabis Control Commission.

Cannabis Retail Store. An establishment authorized to sell or otherwise transfer cannabis or marijuana products to consumers for use off the premises, but not to cultivate, manufacture, process, or package cannabis or marijuana products, in accordance with applicable state laws and regulations. A Cannabis Retail Store may be licensed to operate as a Cannabis or Marijuana Retailer or registered as a Medical Marijuana Treatment Center (also known as a Registered Marijuana Dispensary or RMD), or both, in accordance with applicable state laws and regulations.

Cannabis Retailer. An entity licensed by the Massachusetts Cannabis Control Commission as a Marijuana Retailer to purchase, repackage, white label and transport cannabis or marijuana products from Cannabis or Marijuana Establishments and to sell or otherwise transfer these products to Cannabis Marijuana Establishments and to consumers. Unless licensed, Rretailers are prohibited from delivering cannabis or marijuana products to consumers; and from offering cannabis or marijuana products for the purposes of on-site social consumption on the premises of a Cannabis or Marijuana Establishment.

Cannabis Use. A <u>Cannabis Courier Establishment, Cannabis Delivery Operator Establishment, Cannabis Production Facility or Cannabis Retail Store, as defined in this Zoning Ordinance.</u>

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Amend Section 4.32 of the Table of Use Regulations by inserting a new row "I." to read as follows:

		Open Space	Res A 1&2	Res B	Res C, C-1, C- 1A, 2, 2A, 2B, 3, 3A, 3B	Off 1, 2A, 2, 3, 3A	Bus A-1, A- 2, A-3	Bus A, A- 4	Bus B, B-1, B-	Bus C, C-1	Ind A-1, A-2	Ind A	Ind B- 1, B-2	Ind B	Ind C
4.32	Transportation, Communication & Utility Uses														
	I. Cannabis Courier Establishment	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>	Yes ⁵⁸	Yes ⁵⁸	Yes ⁵⁸	Yes ⁵⁸	Yes ⁵⁸	Yes ⁵⁸	Yes ⁵⁸	Yes ⁵⁸	Yes ⁵⁸	Yes ⁵⁸

Amend Section 4.37 of the Table of Use Regulations by inserting a new row "o." to read as follows:

		Open Space	Res A 1&2	Res B	Res C, C-1, C- 1A, 2, 2A, 2B, 3, 3A, 3B	Off 1, 2A, 2, 3, 3A	Bus A-1, A-2, A-3 ¹	Bus A, A-4	Bus B, B-1, B- 2	Bus C, C- 1	Ind A-1, A-2	Ind A	Ind B- 1, B-2	Ind B	Ind C
4.32	Light Industry, Wholesale Business and Storage														
	o. Cannabis Delivery Operator Establishment	<u>No</u>	<u>No</u>	<u>No</u>	<u>No</u>	PB ⁵⁸	PB ⁵⁸	PB ⁵⁸	PB ⁵⁸	<u>PB⁵⁸</u>	PB ⁵⁸	<u>PB⁵⁸</u>	PB ⁵⁸	PB ⁵⁸	PB ⁵⁸

Amend Section 6.36, Schedule of Parking & Loading Requirements, by inserting a new row "I." beneath Section 6.36.2, by inserting a new row "o." beneath Section 6.36.7, and by inserting a new Footnote "16." to read as follows:

Land Use Category Spa A-1		Open Space, Res A-1, A-2, Res B	Res C, C-1, C-1A, Off 1, Bus A (Comm), Bus A-1, A-2, Bus A-3 ¹⁴ , A-4,Ind A-1, Ind B-2, Ind C	Bus. C, C-1, Ind A, Off 2, 2A, Res C-2, C- 2A, Res C-2B, Bus A (res)	Ind B-1, Res C- 3, C-3A, C-3B, Off 3-A, 3, Bus B, Ind A-2, Ind B, Bus B-1, B-2	Loading Facility Category	Long- Term Bicycle Parking (6.107.2)	Short- Term Bicycle Parking (6.107.3)
6.36.2	Transportation, Communication & Utility Uses							
<u>l.</u>	Cannabis Courier Establishment	n/a	1 per 1200 sq. ft. ¹⁶	1 per 1600 sq. ft. ¹⁶	1 per 2000 sq. ft. ¹⁶	A	<u>N5</u>	<u>N5</u>

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6.36.7	Light Industry, Wholesale, Business and Storage							
<u>o.</u>	Cannabis Delivery Operator Establishment	<u>n/a</u>	<u>1 per 1200 sq. ft. ¹⁶</u>	1 per 1600 sq. ft. ¹⁶	<u>1 per 2000 sq.</u> <u>ft. ¹⁶</u>	A	<u>N5</u>	<u>N5</u>

16. Parking for delivery vehicles shall be provided in accordance with Section 11.800 and may not be reduced or waived by the provisions of this Article 6.000.

Amend Section 11.800 et seq., "Cannabis Uses," to read as follows:

11.800 - CANNABIS USES

- 11.801 Statement of Purpose. The purpose of this section is to provide for the limited establishment of Registered Marijuana Dispensaries for the medical use of cannabis products and Cannabis Establishments for the non-medical use of cannabis products, as they are authorized pursuant to applicable state laws and regulations.
- 11.802 General Requirements
- 11.802.1 Allowed Cannabis Uses.
 - (a) Cannabis Retail Stores, <u>Cannabis Delivery Operator Establishments</u>, and Cannabis Production Facilities shall be allowed only after the granting of a special permit by the Planning Board <u>as set forth in the Table of Use Regulations (Section 4.30 of this Zoning Ordinance)</u>, subject to the requirements set forth in this Section 11.800, et seq.
 - (b) <u>Either Cannabis Retail Stores, Cannabis Delivery Operator Establishments,</u> or Cannabis Production Facilities, as defined in Article 2.000 of this Zoning Ordinance, may be established to provide cannabis products for medical or non-medical use, or both, in accordance with applicable state laws and regulations.
 - (c) A Cannabis Retail Store, <u>Cannabis Delivery Operator Establishment</u>, or Cannabis Production Facility that has previously received a special permit from the Planning Board only to authorize another type of <u>Cannabis Establishment (including, but not limited to, a</u> Registered Marijuana Dispensary) shall be required to amend its previously issued special permit to authorize the conversion to or co-location of a <u>new type of Cannabis Establishment</u> for the non-medical use of cannabis or marijuana.
 - (d) Cannabis Courier Establishments shall be permitted as set forth in the Table of Use Regulations (Section 4.30 of this Zoning Ordinance) without a special permit, provided that they conform to all other applicable requirements of this Section 11.800 and all other applicable state and local laws, regulations, and ordinances.
 - (e) A Cannabis Establishment that is licensed as a Cannabis Independent Testing Laboratory or Cannabis Research Facility pursuant to applicable state laws and regulations, but is not authorized to sell or otherwise transfer Cannabis Products to consumers or to cultivate, manufacture, or otherwise produce Cannabis Products that are intended to be sold or otherwise transferred to consumers, shall be regulated within the Table of Use Regulations in Section 4.30 of this Zoning Ordinance as a Technical Office (Section 4.34, Item "f") or, if such establishment is noncommercial, a Noncommercial Research Facility (Section 4.33, Item "c"). Such establishment shall comply with all state and local laws and regulations, including regulations promulgated by the Cambridge Public Health Department, where applicable.

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- 11.802.2 Licenses and Registration. A special permit issued pursuant to this Section shall be conditioned on the Permittee maintaining all required state and local licenses and/or registrations and complying with all applicable state and local public health regulations and all other applicable laws, rules and regulations at all times. No Building Permit or Certificate of Occupancy shall be issued for a Cannabis Use that is not properly licensed and/or registered with the applicable state and local agencies.
- 11.802.3 Limitation of Approval. A special permit, <u>Building Permit</u>, or <u>Certificate of Occupancy</u> authorizing the establishment of a Cannabis <u>Retail Store or Cannabis Production Facility Use</u> shall be valid only for the licensed or registered entity to which the <u>special permit</u> was issued, and only for the site on which the Cannabis <u>Retail Store or Cannabis Production Facility Use</u> has been <u>authorized by special permit permitted</u>. If the license or registration for a Cannabis Use has not been renewed or has been revoked, transferred to another controlling entity, or relocated to a different site, a new special permit and <u>building permit</u>, <u>where applicable</u>, shall be required prior to issuance of a Certificate of Occupancy.
- 11.802.4 Building. A Cannabis Retail Store or Cannabis Production Facility Establishment shall be located only in a permanent building and not within any mobile facility. All sales, cultivation, manufacturing, and other related activities shall be conducted within the building, except in cases where home deliveries are authorized for certain types of Cannabis Establishments to serve qualified medical marijuana patients in accordance with 935 CMR 500.000 and other applicable state and local regulations.
- 11.802.5 Cannabis Research and Testing Facilities. A Cannabis Establishment that is licensed as a Cannabis Independent Testing Laboratory or Cannabis Research Facility pursuant to applicable state laws and regulations, but is not authorized to sell or otherwise transfer Cannabis Products to consumers or to cultivate, manufacture, or otherwise produce Cannabis Products that are intended to be sold or otherwise transferred to consumers, shall be regulated within the Table of Use Regulations in Section 4.30 of this Zoning Ordinance as a Technical Office (Section 4.34, Item "f") or, if such establishment is noncommercial, a Noncommercial Research Facility (Section 4.33, Item "c."). Such establishment shall comply with all state and local laws and regulations, including regulations promulgated by the Cambridge Public Health Department, where applicable.
- 11.803 Location Standards.
- 11.803.1 Cannabis Retail Stores.
 - (a) Cannabis Retail Stores shall be allowed only by Planning Board Special Permit and only in those districts set forth in the Table of Use Regulations (Section 4.30 of this Zoning Ordinance) within the following districts: Business A (BA), Business A-1 (BA-1), Business A-2 (BA-2), Business A-3 (BA-3), Business B (BB), Business B-1 (BB-1), Business B-2 (BB-2), Business C (BC), Industry A-1 (IA-1), Industry B (IB), Industry B-1 (IB-1), and Industry B-2 (IB-2) districts, and special districts and overlay districts whose use regulations are based on those of any of the aforementioned districts, subject to any limitations set forth in the regulations of those districts. In the Business A-1 district, only applicants that have been designed as Economic Empowerment Applicants or certified as eligible to participate in the Social Equity Program by the Massachusetts Cannabis Control Commission may be permitted and it shall be made a condition of the special permit that such designation or eligibility shall be maintained.
 - (b) A Cannabis Retail Store shall not be permitted within one thousand and eight hundred (1,800) feet of another Cannabis Retail Store, except if the applicant has been designated as an Economic Empowerment Applicant or certified as eligible to participate in the Social Equity Program by the Massachusetts Cannabis Control Commission and it is made a condition of the special permit that such designation or eligibility shall be maintained.
 - (c) All products offered to consumers shall be pre-packaged off-site, and no packaging or repackaging of cannabis or marijuana products shall take place on the premises of a Cannabis Retail Store unless it is also meets the requirements for a Cannabis Production Facility.
- 11.803.2 Cannabis Delivery Operator Establishments shall be allowed only by Planning Board
 Special Permit and only in those districts set forth in the Table of Use Regulations (Section 4.30 of this
 Zoning Ordinance) and special districts and overlay districts whose use regulations are based on those

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- districts, subject to any limitations set forth in the regulations of those districts and provided that the establishment is not greater than 10,000 square feet in Gross Floor Area and that no packaging or repackaging of cannabis or marijuana products shall take place on the premises.
- 11.803.32 Cannabis Production Facilities shall be allowed only by Planning Board Special Permit in <a href="https://documents.com/html/those-districts-set-forth-in-the-Table of Use Regulations (Section 4.30 of this Zoning Ordinance) the Industry B-2 (IB-2) district and special districts and overlay districts whose use regulations are based on those districts, subject to any limitations set forth in the regulations of those districts and, provided that the establishment is not greater than 10,000 square feet in Gross Floor Area.

11.803.3 Buffer Zones.

- (a) A Cannabis Retail Store or Cannabis Production Facility shall not be permitted within 300 feet of a pre-existing public or private school providing education in kindergarten or any of grades one through 12, except where the Planning Board, in issuing a special permit, approves a reduced distance upon finding that the location will cause no substantial adverse impact due to sitespecific factors or other mitigating efforts agreed to in writing by the permittee and made conditions of the special permit.
- (b) A Cannabis Retail Store or Cannabis Production Facility shall not be permitted within 300 feet of a pre-existing public children's playground, public youth athletic field, or public youth recreation facility, except where the Planning Board, in issuing a special permit, approves a reduced distance upon finding that the location will cause no substantial adverse impact due to sitespecific factors or other mitigating efforts agreed to in writing by the permittee and made conditions of the special permit.

11.804 Parking and Transportation.

- (a) Off-street parking for employees and customers shall be regulated by Article 6.000 of this Zoning Ordinance. Provisions set forth in Article 6.000 that allow for a reduction or waiver of required off-street parking shall apply except as set forth below.
- (b) In addition to the requirements of Article 6.000, any Cannabis Courier Establishment, Cannabis Delivery Operator Establishment, or other Cannabis Establishment shall park and store all delivery vehicles off-street. Such requirement may not be reduced or waived. Delivery vehicles shall not be parked on-street except for authorized active loading/unloading activities. Delivery vehicles may be parked in facilities that are accessory to the Cannabis Use or in authorized principal use parking facilities.
- (c) All parking spaces to be used by customers, employees, visitors, or delivery vehicles shall be registered with the Cambridge Traffic, Parking and Transportation Department (TPTD), including a parking layout plan, in accordance with Chapter 10.18 of the City of Cambridge Code of Ordinances, and shall comply with all other applicable state or local laws, regulations, and ordinances.
- (d) All Cannabis Retail Stores, Cannabis Courier Establishments, Cannabis Delivery Operator Establishments, and Cannabis Production Facilities shall submit an Operations and Logistics Plan to the Cambridge TPTD and Cambridge Police Department before applying for a special permit, building permit, or certificate of occupancy, whichever occurs sooner. Such plan shall include the following information using narratives and graphics:
 - (1) hours of operation and anticipated numbers of employees and consumers on-site during operating hours;
 - (2) expected frequency of loading/unloading trips by delivery and service vehicles;
 - (3) access and egress routes for customers and employees:
 - (4) locations of parking and bicycle parking areas for customers and employees;
 - (5) number of delivery vehicles, where applicable, and locations where they will be stored onsite;

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- (6) locations where loading/unloading and service activities will take place and a description of how such activities will be conducted:
- (7) a description of transportation options for customers and employees, including public transportation services, on-site and off-site parking facilities, transportation demand management measures to encourage and support sustainable forms of travel for employees and customers, and short-term and long-term bicycle facilities;
- (8) specific measures that will be employed by the Cannabis Use to prevent adverse impacts on the public way including but not limited to sidewalk crowding, blocking of vehicular or bicycle travel lanes, potential safety hazards, and other issues identified by City departments; and
- (9) a specific plan for the initial opening period that includes measures to identify and respond to unexpected impacts.
- (e) The Cambridge TPTD and Cambridge Police Department shall approve a final Operations and Logistics Plan prior to issuance of a certificate of occupancy for a Cannabis Use, and may require operational practices to prevent or correct adverse impacts of the operation of the Cannabis Use on the public way, including but not limited to crowding on the public sidewalk, blocking of travel lanes by vehicles, or hazardous conditions. Such practices may include, but are not limited to, restrictions on the use of the public way, required pre-purchase and/or appointment-only customer service for a period of time, restrictions on the location and/or timing of loading/unloading activities, or similar measures. When granting a special permit, where applicable, the Planning Board may also include conditions pertaining to the Operations and Logistics Plan.
- 11.8054 Application Requirements. An application to the Planning Board shall contain, at a minimum, the following information:
 - (a) Description of Activities: a narrative providing information about the type and scale of all activities that will take place on the proposed site, including but not limited to cultivating and processing of Cannabis Products, on-site sales, off-site deliveries, distribution of educational materials, and other programs or activities.
 - (b) Context Map: A map identifying, at a minimum, the location of the proposed establishment, the locations of all other Cannabis Uses in the vicinity, the locations of all public or private schools providing education in kindergarten or any of grades one through 12, and the locations of all children's playgrounds, youth athletic fields, or other youth recreation facilities, with measured distances provided to demonstrate whether the location complies with the standards of Section 11.803 above.
 - (c) Site Plan: A plan or plans depicting all existing and proposed development on the property, including the dimensions of the building, the detailed layout of automobile and bicycle parking, the location of pedestrian, bicycle and vehicular points of access and egress, the location and design of all loading, refuse and service facilities, the location, type and direction of all outdoor lighting on the site, and any landscape design.
 - (d) Building Elevations and Signage: Architectural drawings of all exterior building facades and all proposed signage, specifying materials and colors to be used. Perspective drawings and illustrations of the site from public ways and abutting properties are recommended but not required.
 - (e) Initial Operations and Logistics Plan: A plan identifying the on-site or off-site locations where deliveries and loading functions will take place and a narrative describing how deliveries to the site, loading and other service functions will be conducted, as well as a plan and narrative identifying the transportation options for customers and employees, including public transportation services, on-site and off-site parking facilities, and bicycle facilities Containing the information set forth in Paragraph (d) of Section 11.804 above.

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- (f) License or Registration Materials: Copies of all materials submitted to applicable state and local agencies for the purpose of licensing and/or registration, and any certification or license issued by any such agency, excluding any information required by law to be kept confidential.
- (g) Host Community Agreement: A narrative describing progress that has been made at the time of application toward establishing a host community agreement with the City of Cambridge.
- 11.8065 Special Permit Criteria. In granting a special permit for a Cannabis Retail Store or Cannabis Production Facility, in addition to the general criteria for issuance of a special permit as set forth in Section 10.43 of this Zoning Ordinance, the Planning Board shall find that the following criteria are met:
 - (a) The site is designed such that it provides convenient, safe and secure access and egress for customers and employees arriving to and leaving from the site using all modes of transportation, including drivers, pedestrians, bicyclists and public transportation users.
 - (b) On-site loading, refuse and service areas are designed to be secure and shielded from abutting uses.
 - (c) The building and site have been designed to be compatible with other buildings in the area and to mitigate any negative aesthetic impacts that might result from required security measures and restrictions on visibility into the building's interior and/or from restrictions on direct access by consumers.
 - (d) In retail areas, the location and design of the Cannabis Use will not detract from the sense of activity with opaque, unwelcoming façades at the ground floor. Where interior activities must be screened from public view, such areas should be screened by transparent, publicly accessible active business uses where possible. Opaque façades should be minimized, and where they are necessary they should include changing public art displays or other measures to provide visual interest to the public.
 - (e) If the proposed Cannabis Retail Store or Cannabis Production Facility is not proposed to include a Medical Marijuana Treatment Center, it will nevertheless provide programs to assist qualifying patients within the city or neighborhood who are registered through the Massachusetts Medical Use of Marijuana Program in obtaining services under that program.

Delete Section 11.806, which currently reads as follows:

11.806 Effective Date. The provisions of this Section 11.800-11.805, as most recently amended on December 17, 2018, shall take effect on April 20, 2019, or upon passage of a "Cannabis Business Permitting Ordinance," whichever comes first.

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Amend Chapter 5.50 of the Code of Ordinances, "CANNABIS BUSINESS PERMITTING," to read as follows:

5.50.010 - Purpose

This Chapter is intended to create a separate local permitting requirement for Cannabis Retail Store, Cannabis Cultivator, Cannabis Product Manufacturer, Cannabis Microbusiness, Cannabis Courier Establishment, Cannabis Delivery Operator Establishment and/or Cannabis Transporter (collectively "Cannabis Business") applicants to certify compliance with certain conditions in the public interest prior to being permitted to operate a Cannabis Business in the City. The City deems it to be in the public interest to give initial permitting preferences for Cannabis Businesses to Priority Applicants, as defined herein.

5.50.020 - Definitions

"Cannabis Business." A Cannabis Retail Store, Cannabis Cultivator, Cannabis Product Manufacturer, Cannabis Microbusiness, Cannabis Courier Establishment, Cannabis Delivery Operator Establishment and/or Cannabis Transporter.

"Cannabis Courier Establishment." An establishment licensed as a Marijuana Courier by the Massachusetts Cannabis Control Commission that is authorized to operate pursuant to that license, including to deliver cannabis or marijuana products, accessories and branded goods from a Cannabis Retail Store to consumers, in accordance with applicable state laws and regulations, but not authorized to sell cannabis or marijuana products directly to consumers.

"Cannabis Cultivator." An entity licensed by the Massachusetts Cannabis Control Commission as a Marijuana Cultivator to cultivate, process and package cannabis or marijuana, and to transfer cannabis or marijuana to other cannabis or marijuana establishments, but not to consumers. A craft marijuana cooperative as defined by state regulation is a type of Cannabis Cultivator.

"Cannabis Delivery Operator Establishment." An establishment licensed as a Marijuana Delivery Operator by the Massachusetts Cannabis Control Commission and authorized to purchase at wholesale and warehouse on the site cannabis or marijuana products acquired from a Cannabis Cultivator, Cannabis Product Manufacturer, Cannabis Microbusiness or Craft Marijuana Cooperative, and to sell and deliver cannabis or marijuana products, accessories and branded goods directly to consumers in accordance with applicable state laws and regulations, but not authorized to repackage cannabis or marijuana products or to sell cannabis or marijuana products to consumers on-site.

"Cannabis Microbusiness." A co-located Cannabis or Marijuana Establishment that can be either a Tier 1 Marijuana Cultivator or a Product Manufacturer or both, pursuant to 935 CMR 500.00, in compliance with the operating procedures for each license and, if in receipt of a Delivery Endorsement issued by the Cannabis Control Commission, may deliver Cannabis or Cannabis Products produced at the licensed location directly to Consumers in compliance with established regulatory requirements for retail sale as it relates to delivery. A Microbusiness that is a Cannabis Marijuana Product Manufacturer may purchase no more than 2,000 pounds of marijuana per year from other Cannabis or Marijuana Establishments, pursuant to 935 CMR 500.000.

"Cannabis Product Manufacturer." An entity licensed by the Massachusetts Cannabis Control Commission as a Marijuana Product Manufacturer to obtain, manufacture, process and package cannabis or marijuana products and to transfer these products to other cannabis or marijuana establishments, but not to consumers.

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"Cannabis Retail Store." An establishment authorized to sell or otherwise transfer cannabis or marijuana products to consumers for use off the premises, but not to cultivate, manufacture, process, or package cannabis or marijuana products, in accordance with applicable state laws and regulations. A Cannabis Retail Store may be licensed to operate as a Cannabis or Marijuana Retailer or registered as a Medical Marijuana Treatment Center, also known as a Registered Marijuana Dispensary (hereafter "RMD"), or both, in accordance with applicable state laws and regulations.

"Cannabis Transporter." An entity, not otherwise licensed by the Cannabis Control Commission, that is licensed to purchase, obtain, and possess cannabis or marijuana, or cannabis or marijuana products, solely for the purpose of transporting, temporarily storing, selling and distributing them to cannabis establishments, not for selling to consumers.

"Local Sales Taxes." Taxes imposed by the City upon the sale or transfer of marijuana or marijuana products by a Cannabis Retail Store pursuant to Section 3 of M.G.L. Chapter 64N."

"Priority Applicant." A person, corporation, or other legal entity applying for a Cannabis Business permit pursuant to this Chapter to operate in the City who is:

- A. Group A Priority Applicant. An Economic Empowerment Applicant certified as such by the Commonwealth's Cannabis Control Commission; or a Social Equity Program Applicant certified as such by the Commonwealth's Cannabis Control Commission who is also a Cambridge resident and has been for at least the previous three years; or Women or Minority Owned business as certified by the Commonwealth and/or by the City; or a Cambridge resident for at least the three previous years prior to application earning less than fifty percent (50%) of Area Median Income (AMI) in the three previous tax years prior to application —to be known as Group A Priority Applicants.
- B. Group B Priority Applicant. An RMD within the City that was licensed or registered by the Massachusetts Department of Public Health not later than July 1, 2017 to sell cannabis products in a Cannabis Retail Store pursuant to the Commonwealth's medical use of marijuana laws, which seeks to operate as a licensed marijuana retailer pursuant to the Commonwealth's adult use of marijuana laws to be known as Group B Priority Applicants. Those who qualify as Group B Priority Applicants cannot also qualify as a Group A Priority Applicant.

5.50.030 - Applicability

This Chapter shall apply to any proposed Cannabis Cultivator, Cannabis Product Manufacturer, Cannabis Retail Store, <u>Cannabis Courier Establishment</u>, <u>Cannabis Delivery Operator Establishment</u> or Cannabis Transporter that is seeking licensure from the Cannabis Control Commission on or after the effective date of this Chapter. This Chapter shall not apply to RMDs that have already been permitted in the City and are not seeking licensure as a Cannabis Retail Store for retail cannabis sales prior to the effective date of this Chapter ("Existing RMD").

5.50.040 - Permitting Preferences for Priority Applicants

The City shall issue a Cannabis Business Permit pursuant to this Chapter only to Priority Applicants. For the first two years after the Effective Date of this Chapter as stated in Section 5.50.100 below, the City shall issue a Cannabis Business Permit to operate a Cannabis Retail Store only to Group A Priority Applicants who are Economic Empowerment Applicants certified as such by the Commonwealth's Cannabis Control Commission.

5.50.050 - Permitting Requirements

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- A. In order to obtain a Cannabis Business permit pursuant to this Chapter, an applicant must certify that:
 - 1. It will comply with employee pay standards set out in the City's Living Wage Ordinance;
 - 2. It will hire at least fifty-one percent (51%) of minority, women and/or veterans as employees;
 - 3. If applicant has a Board of Directors, the board makeup will be at least fifty-one percent (51%) minority, women and/or veterans;
 - 4. It consents to unannounced, periodic compliance inspections by City officials of its Cannabis Business, including any Cannabis Business activities it conducts off-site;
 - 5. It will comply with all State and local laws and regulations regarding its Cannabis Business operations;
 - 6. No person under the minimum legal sales age shall be permitted to enter the Cannabis Business site unless such person possesses a state-issued registration card demonstrating that the person is a registered qualifying medical marijuana (cannabis) patient and the Cannabis Business site is, or is co-located with, an RMD;
 - 7. It will work with the Cambridge Public Health Department to create and distribute educational materials to its customers as directed by the Cambridge Public Health Department;
 - 8. It will sell only cannabis and cannabis accessories, and not other products, including tobacco products or alcoholic beverages of any kind;
 - 9. It will comply with directives of the Police Commissioner and of the Director of Traffic Parking and Transportation, or their designees, regarding traffic measures to be taken at and near the Cannabis Business site;
 - 10. It has received a special permit from the Planning Board for its Cannabis Business and has entered into a Host Community Agreement with the City through the City Manager's Office; and
 - 11. It is a business in good standing with no outstanding federal, state or local investigations or judgments pending against it.
- B. No discretionary permit conditions may be imposed by the permit issuing authority pursuant to this Chapter.
- C. A Cannabis Business permit shall be valid only for the applicant to which the Cannabis Business permit was issued, and only for the use and for the site approved in the permit. A proposed change of controlling ownership change of use, or change of site shall require a new Cannabis Business permit. As part of the Cannabis Business permit application process, the City shall require the applicant to disclose all individuals and legal entities who have a beneficial interest in the applicant's business.
- D. A Cannabis Business that is licensed to conduct cannabis delivery shall submit an Operations and Logistics Plan for approval by the Cambridge Traffic, Parking and Transportation Department and Cambridge Police Department annually prior to issuance and renewal pursuant to Section 5.50.070 below.

5.50.060 - Permitting Procedure

This Chapter shall be administered by the City's Inspectional Services Department, except that Priority Applicant status shall be certified by the Director of the Economic Development Division of the Community Development Department. Applications for Cannabis Business permits shall be obtained

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from and submitted to the Inspectional Services Department. If permit applications are properly completed and certified, and the conditions of this Chapter are met, the Commissioner of Inspectional Services (the "Commissioner") shall issue a Cannabis Business permit to the applicant. No public hearing process on individual applications shall be conducted. A Host Community Agreement shall be negotiated with the City Manager.

5.50.070 - Permit Expiration and Renewal

The Cannabis Business permit issued pursuant to this Chapter shall be subject to renewal annually. If the applicant fails to timely renew or fails to meet the requirements of this Chapter at the time of each renewal, including the Permitting Requirements in Section 5.50.050 above, the Cannabis Business permit issued hereunder shall expire. A Cannabis Business permit will not be renewed if the permit holder has failed to pay all fines issued pursuant to this Chapter, has violated any provisions of the Zoning Ordinance, including but not limited to Section 11.800, et seq. "Cannabis Uses", or is in violation of the Cambridge Traffic, Parking and Transportation Regulations, including any unpaid parking tickets.

5.50.080 - Enforcement

- A. Failure to comply with this Chapter, including a failure to maintain the status of a Priority Applicant, failure to obtain or to comply with the provisions of a Planning Board special permit or State license to operate a Cannabis Business, or failure to comply with any applicable laws, may result in revocation by the City, through the Commissioner, of the Cannabis Business permit granted pursuant to this Chapter. Failure to meet the annual Cannabis Business permit renewal requirements will result in the expiration of the Cannabis Business permit. If a permit holder's State license is revoked, then the Cannabis Business permit issued by the City shall be revoked. A Cannabis Business permit may be revoked or not renewed if the permit holder has sold a cannabis product to a person under the minimum legal sales age three times or more, or if the permit holder has failed to pay to the City all outstanding fines issued pursuant to this Chapter.
- B. An applicant must cease to operate if it does not hold and maintain a valid Cannabis Business permit pursuant to this Chapter. Prior to revoking a Cannabis Business permit issued hereunder, the Commissioner will notify the Cannabis Business permit holder in writing and allow the Cannabis Business permit holder at least fourteen (14) days to submit written information to the Commissioner establishing that the Cannabis Business permit holder is in compliance with the terms of this Chapter. The Commissioner shall make a final determination on the Cannabis Business permit expiration or revocation thereafter. If a permit holder requests, the Commissioner in his discretion may hold a hearing before deciding whether to revoke a Cannabis Business permit.
- C. Any violation of this Chapter by a permit holder shall be subject to a fine of up to \$300.00 for each violation. Each day a violation exists shall constitute a separate violation.
- D. Fines pursuant to this Chapter may be issued pursuant to the non-criminal ticketing procedure in G.L. c. 40, § 21D. The Commissioner of Inspectional Services, the Police Commissioner, and the Commissioner of Public Health, or their designees shall be the enforcement officials for this Chapter.

5.50.090 - Regulations

The Commissioner of Inspectional Services, as well as the Assistant City Manager for Community Development and the Director of Traffic, Parking and Transportation, with the approval of the City Manager, are authorized to promulgate regulations and to create the necessary application and permit forms, to implement this Chapter with respect to their respective responsibilities pursuant to this

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City of Cambridge – Proposed Amendments to Cannabis Business Permitting Ordinance (Markup shown against current Cannabis Business Permitting Ordinance text)

Chapter. Regulatory requirements implementing this ordinance may differ for Priority Applicants and non-Priority applicants, such that the regulatory burden for Priority Applicants is less burdensome.

5.50.100 - Effective Date

This Chapter shall take effect on September 23, 2019.

5.50.110 - Severability

The provisions of this Chapter are severable, and if any part of this Chapter should be held invalid by a court of competent jurisdiction, such invalidity shall not affect the remainder of the Chapter, and the remainder of the Chapter shall remain in full force and effect.

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