

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM  
3.52  
(ID # 8884)

**MEETING DATE:**

Tuesday, January 29, 2019

**FROM :** TRANSPORTATION AND LAND MANAGEMENT AGENCY (TLMA):

**SUBJECT:** TRANSPORTATION & LAND MANAGEMENT AGENCY/PLANNING: Adoption of Board of Supervisors Policy No. B-9 regarding Commercial Cannabis Activities; Adoption of Resolution No. 2019-037 Amending Procedures and Requirements for the Consideration of Development Agreements (Commercial Cannabis Activities); Introduction of Ordinance No. 671.21 amending Ordinance No. 671 regarding Development Agreement processing fees (Clerk to Advertise). All Districts. [\$0 Total Cost] (CEQA Exempt) (Clerk to Advertise)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. FIND that Board Policy No. B-9 and Resolution No. 2019-037 are EXEMPT from the California Environmental Quality Act (CEQA), pursuant to Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and Section 26055(h) of the California Business and Professions Code as set forth below; and
2. FIND that Ordinance No. 671.21 is EXEMPT from CEQA pursuant to State CEQA Guidelines section 15273 and section 15061(b)(3) based on the findings set forth below; and
3. ADOPT Board of Supervisors Policy No. B-9 regarding Development Agreements for Commercial Cannabis Activities, including provisions regarding Public Benefits, Annual Increases, and Terms of Duration; and

**ACTION:** Policy, Clerk to Advertise

Juan C. Perez, Director of Transportation & Land Management 1/24/2019

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries, seconded by Supervisor Spiegel and duly carried, IT WAS ORDERED that the above matter is approved as recommended with direction to bring back on February 5, 2019, for further discussion of the possible creation of an Ad Hoc Committee; and that the above Ordinance is approved as introduced with a waiver of the reading and set for public hearing Tuesday, February 26, 2019 at 9:00 a.m. or as soon as possible thereafter.

Ayes: Jeffries, Spiegel, Washington and Perez  
Nays: Hewitt  
Absent: None  
Date: January 29, 2019  
xc: Planning, Co.Co., COB

Kecia Harper  
Clerk of the Board  
By:   
Deputy

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**RECOMMENDED MOTION:** That the Board of Supervisors:

4. ADOPT Resolution No. 2019 – 037 Amending Procedures and Requirements for the Consideration of Development Agreements, setting forth the procedures and requirements for consideration of Development Agreements for Commercial Cannabis Activities pursuant to Government Code section 65865; and
5. INTRODUCE, read title and waiver further reading of Ordinance 671.21, an ordinance amending Ordinance No. 671 to amend the processing fees for Development Agreements; and
6. Set a public hearing on February 26, 2019 on adoption of Ordinance No. 671.
7. APPROVE the Request for Proposal formats attached as Exhibits – F, G, and H.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: 18/19</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

On October 23, 2018 (Item 19.1) the Board adopted Ordinance No. 348.4898, amending the County's zoning ordinance (Ordinance No. 348) to establish regulations and development standards to conditionally permit Commercial Cannabis Activities in the unincorporated areas of the County of Riverside, as well as approval of an Implementation Process for the first year, phased in processing of conditional use permits for Commercial Cannabis Cultivation and Retail Sales. The Board directed staff to bring back for the Board's consideration:

1. A Board Policy regarding the use of Development Agreements for Commercial Cannabis Activities, including a Development Agreement Public Benefit payment. Staff recommendations on these items are included as part of this proposed Board agenda item.
2. A Board Resolution setting forth the procedures and requirements for consideration of Development Agreements for Commercial Cannabis Activities pursuant to Government Code section 65865. Staff recommendations on such procedures and requirements are included as part of this proposed Board agenda item.
3. Further study allowing commercial cannabis cultivation in three specific zones (the R-A, R-R, and W-2 zones) and return to the Planning Commission with recommendations. This matter is expected to be presented to the Planning Commission in April or May 2019, and is not further addressed in this agenda item.

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The Board also approved on October 23, 2018 (Item 3.33) entering into a contract with HdL Companies for cannabis consulting services. The scope of work under this contract includes assisting County staff in determining a Baseline Public Benefit Fee structure for use in Development Agreements that will cover the County's regulatory costs associated with allowing Commercial Cannabis Activities.

It should be noted that in addition to the Baseline Public Benefit Fee, there is proposed to be an Additional Public Benefit Fee that is discussed in more detail further in this report.

**Board Policy and Baseline Public Benefit Fee**

TLMA and County Counsel have worked to develop a Board of Supervisors Policy regarding Development Agreements for Commercial Cannabis Activities, Board Policy B-9, which is attached as Exhibit A. This policy includes a proposed rate structure to establish a Baseline Public Benefit Fee, which would be paid annually under the Development Agreements by approved and permitted Commercial Cannabis uses, which can be used to recover the County's costs of associated with regulating the industry, including a portion of indirect costs of ordinance enforcement against unregulated uses that otherwise compete with the regulated industry. The Baseline Public Benefit Fee has been developed in consultation with HdL, which has prepared a Memorandum (attached as Exhibit B) explaining the approach and methodology. HdL has developed four potential estimated program revenue scenarios, in consultation with staff, which include a range of different mixes of uses and sizes based on possible industry interest. The proposed Baseline Public Benefit Fee structure reflects a graduated fee structure that increases as uses increase in size, with four overall separate and distinct fee Cannabis Activity Categories (Cultivation, Retail, Manufacturing, and Other – which includes Nursery, Distribution and Testing). The estimated annual Baseline Public Benefit Fee based on the four scenarios analyzed ranges from \$3,085,000 - \$4,168,000. It should be noted that these amounts represent an estimate of what may be collected after the program is up and running over a couple of years, depending on market demand, the approval and building process, etc. The actual allocation and distribution of Baseline Public Benefit Fees collected under the executed Development Agreements would be subject to Board actions as part of the budget process once the program is up and running, and based on actual revenue collected or anticipated in any given budget year.

Staff has provided to HdL a recommended program expenditure for regulatory costs which include funding for several different County Departments, which is what is proposed to be recovered from the Baseline Public Benefit Fee. It should be highlighted that, given that this is the County's initial experience with regulating these uses, these are estimates that will need to be reviewed over time based on actual experience, and adjusted appropriately. The total annual program regulatory costs, with some enforcement included as well, are estimated to be \$3,154,707. Any Baseline Public Benefit fees received under the Development Agreements that results in an amount greater than the annual program regulatory costs can be used for other essential services supplied by the County, including but not limited to additional enforcement and subject to Board actions during the budget process.

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The Code Enforcement Department is expected to be the County's main regulatory arm in dealing with a Commercial Cannabis Activities regulatory program, as the group tasked with making sure that the Conditions of Approval of any permitted uses (which are meant to reduce impacts of that use on adjacent communities) are properly implemented; perform regular inspections as needed; serve as the initial point of contact for public inquiries and concerns regarding permitted and unpermitted uses; and coordinate with other County Departments involved in the regulatory process. The estimated funding costs for Code Enforcement (\$1,326,460) consists of establishing a focused Cannabis Enforcement Unit, including a Senior Code Officer, 6 Code Enforcement Officers, and a Technician, for implementation of the program throughout the unincorporated area. Additionally, program funding (\$346,868) is being recommended to provide 2 focused Planning and Land Use personnel that can assist the industry, and the public, with general questions on the Commercial Cannabis Activity program. Staff will also further recommend that the cost to set up this comprehensive regulatory program, estimated at about \$110,000 and which has been funded out of the Planning budget, be reimbursed out of the initial proceeds. It should be noted that the costs of processing the conditional use permits and Development Agreements for each proposed individual Commercial Cannabis Activity application, which will have to undergo a separate public review and approval process like any other similar business land use application, will be in addition to these overall program coordination costs.

TLMA staff has also consulted with the District Attorney's office as to applicable costs that they may have regarding illegal cannabis operations. The District Attorney's office has provided an estimate of the costs associated with funding their County-wide District Attorney Cannabis Regulation Task Force, and has pro-rated those costs based on activity in the unincorporated area, which amounts to \$547,593.

A similar amount (\$500,000) is being proposed to be set aside for enforcement efforts by the Riverside Sheriff's office, in the absence of having received more refined enforcement cost information last year. It should be noted that funding for additional Sheriff Patrol staff (over-and-above this \$500,000), ideally focused in the unincorporated communities where the Commercial Cannabis Activity uses are located, will be one of the potential Additional Public Benefits that staff will suggest that the industry considers as part of the Request for Proposals Process and as set forth in Board Policy B-9.

TLMA staff also reached out last year to other County departments that may be affected/involved in Commercial Cannabis Activity regulation or enforcement. Some of those Departments, such as Fire and Environmental Health, and to a great extent the Agricultural Commissioner's, are expected to receive funding either directly for providing the services through a standard permitting structure and/or State funds. The recommended program funding does include a small set aside of funds for the Agricultural Commissioner's office (\$15,000) that is not covered by other sources. Similarly, there is a recommended direct funding set aside (\$95,000) for County Counsel staff time spent on overall program administration. Other County Counsel costs associated with either enforcement efforts or processing of Development Agreements and Conditional Use Permits will be recovered directly from those cases, as is done for other similar activities now.

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One of the departments that made a request to be included in a regulatory fee structure is Public Health, which plays an important role in several areas including community education, reducing access for minors and other vulnerable populations, consumer safety and information, and studying impacts on health care and health outcomes. The estimated program costs that they have provided of \$647,673 includes funding for a Program Coordinator and several Health Education Assistants. This would be for a County-wide program that includes the cities as well. In keeping with the methodology used for the District Attorney task force funding, TLMA staff is proposing a pro-rata allocation (using the same proportion as the District Attorney costs) of \$323,786 to the program in the unincorporated area.

**Development Agreements**

Staff has developed a Development Agreement approach to Commercial Cannabis Activity Permits based on prior Board discussion and direction. Government Code section 65864 et seq. authorizes the County to enter into binding Development Agreements. A Development Agreement is a contract entered into between a Public Agency and a development applicant, through which the Public Agency confers certain rights and privileges to an applicant in consideration of Public Benefits provided by the applicant. The use of negotiated Development Agreements allows the County to achieve Additional Public Benefits in those communities where Commercial Cannabis Activities will be located, in addition to recovering the County's regulatory costs associated with these activities (Baseline Public Benefit Fee).

Resolution No. 2019-037, attached as Exhibit C, sets forth the County's procedures and requirements for consideration of Development Agreements for Commercial Cannabis Activities pursuant to Government Code section 65865. This resolution updates the County's previously adopted procedures and requirements for Development Agreements that was previously adopted in Resolution 2014-034, as shown in red. A Sample Development Agreement Template is included as Exhibit D. Note that this is just a sample and subject to change, as these Development Agreements will be processed with each Conditional Use Permit (CUP) and, while similar in terms in many instances, each will be negotiated and will contain some unique, project specific terms. Except for activities that include cannabis cultivation or cannabis retail sales, all other applicants considering Commercial Cannabis Activities may now submit CUP applications to the Planning Department and process these for CUPs in accordance with Ordinance No. 348 and Board Policy B-9.

Development Agreements do confer certain rights on applicants which provide greater certainty that they will be allowed to continue to operate, subject to meeting the requirements of the Conditions of Approval of an approved case, the terms of the Development Agreement, and other County ordinances and regulations in place at the time that the Development Agreement was entered to. Staff is proposing that we offer an initial 10-year term for the Development Agreements for Commercial Cannabis Activities, with an option that both parties can exercise to extend it for an additional 5 years. This provides the Cannabis business owner with greater certainty to be able to continue to operate during that time, and amortize the costs of operating the business, paying the Baseline Public Benefit Fee annually (recommended to be increased 2%

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annually), and offering an Additional Public Benefit that will be of significant value to the surrounding community.

**Ordinance No. 671.21 – Development Agreement Processing Fees**

Given that a Sample Development Agreement Template has been prepared, and that the County is expected to process a large number of Development Agreements efficiently and on track with the CUP applications, staff is proposing to reduce the initial processing fee deposit amount for Development Agreement's to a total of \$6,000, which is well below the initial deposit of \$30,000 that we require now for processing Development Agreements. All but an initial \$1,000 in the Development Agreement processing fee (to help offset the cost of the Development Agreement overall program as allowed under Government Code section 65865(d)) will be deposit based, and the actual amount charged either increased or reduced based on the level of effort to prepare a negotiated Development Agreement for a particular Commercial Cannabis Activity application. Recommendation No. 5 in this Form 11 authorizes the introduction of an amendment to Ordinance No. 671 (the master fee ordinance which governs most land use permitting) to reduce the amount of this initial deposit for Development Agreement processing. Ordinance No. 671.21 amending Ordinance No. 671 with regard to Development Agreement processing fees is attached as Exhibit E.

**Additional Public Benefit Contribution**

The Implementation Process that was approved along with Ordinance No. 348.4898 at the October 23, 2018 Board meeting contemplated a two-part Public Benefit component to the Development Agreements, (1) a Baseline Public Benefit Fee and (2) an Additional Public Benefit. The Baseline Public Benefit Fee component is described above, and actual annual fee amounts are to be established in the recommended Board Policy B-9. These would be consistent for all uses based on the proposed categories.

The Additional Public Benefit contribution component would be proposed by the applicant and be subject to negotiation with and approval by the County. The intent is that these Additional Public Benefits go directly to serve the surrounding communities that are directly impacted by the permitted Cannabis uses. Each Development Agreement shall describe the additional public benefits that the Commercial Cannabis Activity will provide to the local community. Examples of possible Additional Public Benefits include funding for additional Sheriff patrol hours in a community; construction or funding towards needed infrastructure such as sidewalks or park improvements; community clean-ups or beautification projects; etc. Applicants will be encouraged to do outreach to their surrounding communities in determining appropriate Additional Public Benefits to propose. Staff will also be reaching out to each Board office to seek input on the different community needs in the unincorporated areas, with the goal of providing further examples to prospective applicants of salient Additional Public Benefits.

As part of the analysis done for determining the appropriate Baseline Public Benefit Fee, staff asked HdL to provide input based on their extensive industry experience throughout

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California, and in particular the Southern California area, of what the overall Public Benefit contribution that the industry is providing in the competitive marketplace with other jurisdictions. The Public Benefit Contributions columns in the matrix attached to the HdL memo serve to provide a basis of comparison of what cannabis uses are contributing, most often directly in the form of taxes, and how those pro-rate to a per-square-foot basis. It is important to highlight that the 'Public Benefit Contributions' included in the attached matrix are not included in the specific fee structure that is proposed in Board Policy B-9 (only the Baseline Public Benefit Fee is included in proposed Board Policy B-9). Rather, staff asked HdL to provide this estimate solely as a basis of comparison to verify that the proposed Baseline Public Benefit Fee would not be set so high as to preclude applicants proposing a significant Additional Public Benefit contribution that would go directly back to provide benefits to surrounding communities. As can be seen by comparing the Baseline Public Benefit Fee with the overall Public Benefit contribution of similar market conditions experienced by the industry, the ratio of the Baseline Public Benefit Fee to the overall Public Benefit contribution ranges between roughly 40% - 60% for each of the funding scenarios, indicating that the value of the expected Additional Public Benefit contribution could be expected to be roughly equivalent to that of the Baseline Public Benefit Fee on an annual basis.

**Request for Proposal Process**

Commercial Cannabis Activities that involve Cannabis Retail Sales Activities and Cannabis Cultivation Activities will be required to take part in the first-year Implementation Process that was approved by the Board on October 23, 2018 (Item 19.1). As part of the Implementation Process, the County would be limiting the number of conditional use permits throughout the unincorporated area to 50 permits for Cannabis Cultivation, and 19 permits for Cannabis Retail uses. At the conclusion of the first year of the program, the Board may evaluate allowing further expansion of the program in subsequent years. As a reminder, the first-year phase in only applies to Cultivation and Retail uses. The submittal window for all other uses (Manufacturing, Distribution, Testing, and Nursery) to submit a land use application for processing a CUP and Development Agreement opened on December 26, 2018.

Given that there is a processing limit for the first-year of program implementation, the Implementation Process calls for County staff to prepare a Request for Proposal to gauge interest from prospective applicants and evaluate and rank proposals. This is a multi-step approach that includes first gauging interest from applicants through a pre-registration process, and then issuing a Request for Proposal (RFP) to interested parties. The proposed RFP format and process is attached as Exhibits F, G, and H for consideration, comment, and approval. It should be noted that most of the information that is being requested of applicants in the RFP process is typical information that we require as part of a land use application to be able to fully assess the proposed use, it is just being asked earlier as part of this first-year competitive RFP process.

**CEQA**

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Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and Section 26055(h) of the California Business and Professions Code exempts from the California Environmental Quality Act (CEQA), until July 1, 2019, the adoption of a specified ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity. Board of Supervisors Policy No. B-9 and Resolution No. 2019-037 implement the requirements of Ordinance No. 348.4898, the County's ordinance regulating Commercial Cannabis Activities. Ordinance No. 348.4898, Board Policy No. B-9, and Resolution No. 2019-037 all require discretionary review and land use permits (discretionary conditional use permits and development agreements) for all Commercial Cannabis Activities. Such discretionary review of the conditional use permits and development agreements for Commercial Cannabis Activities will also require compliance with CEQA for each Commercial Cannabis Activity application. Therefore, Board of Supervisors Policy B-9 and Resolution No. 2019-037 are local regulations that comply with Senate Bill 94 and Section 26055(h) of the Business and Professions Code and are exempt from CEQA.

Additionally, the introduction of Ordinance No. 671.21 is exempt from CEQA pursuant to State CEQA Guidelines sections 15273 and 15061(b)(3). The fees adopted by this ordinance are for the purpose of reimbursing the County for the costs associated with developing procedures and requirements for the consideration of development agreements as authorized by Government Code section 65865(d) and the staff time costs associated with County staff negotiating and processing the development agreements. Therefore, the ordinance with these processing fees is exempt pursuant to CEQA Guidelines section 15273. The ordinance provisions are also exempt pursuant to section 15061(b)(3) because the ordinance provisions are solely reducing existing fees and can be seen with certainty that there is no possibility that the ordinance may have a significant effect on the environment.

**Impact on Residents and Businesses**

The Commercial Cannabis program has been crafted to allow for Commercial Cannabis Activities that could potentially co-exist with existing and future businesses and within reasonable development standards that would protect residential neighborhoods. Because each CUP would be discretionary (including discretionary, negotiated Development Agreements, be subject to public hearings, and be required to comply with the California Environmental Quality Act (CEQA), each case will be individually reviewed and vetted by the hearing bodies and the public to ensure that the proposed permitted use is compatible with surroundings and mitigates potential impacts to residents and businesses.

Additional Public Benefits would be included in each Development Agreement that would go to benefit the surrounding communities where the uses are located to help enhance quality-of-life issues.

**Additional Fiscal Information**

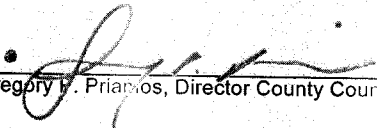


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The Commercial Cannabis program as proposed would generate fees that significantly help offset the County's regulatory and enforcement costs associated with the program. Further, surrounding communities would realize public benefits through negotiated Development Agreements.

**ATTACHMENTS**

- Exhibit A – Board of Supervisors Policy No. B-9 – Commercial Cannabis Activities
- Exhibit B – Memorandum from HdL - Matrix of Fees and Public Benefit Contributions
- Exhibit C – Resolution No. 2019-037 Amending Procedures and Requirements for Consideration of Development Agreements for Commercial Cannabis Activities
- Exhibit D – Sample Development Agreement Template for Commercial Cannabis Activities
- Exhibit E – Ordinance No. 671.21, an Ordinance of the County of Riverside Amending Ordinance No. 671
- Exhibit F – RFP for Commercial Cannabis Retailers
- Exhibit G – RFP for Commercial Cannabis Cultivation
- Exhibit H – RFP for Commercial Cannabis Microbusinesses

  
Gregory H. Priamos, Director County Counsel 1/24/2019

2  
3 RESOLUTION NO. 2019 – 037

4 AMENDING PROCEDURES AND REQUIREMENTS FOR THE  
5 CONSIDERATION OF DEVELOPMENT AGREEMENTS  
6 (COMMERCIAL CANNABIS ACTIVITIES)  
7

8 WHEREAS, Government Code Section 65864 et seq. authorizes the County to enter into  
9 binding development agreements with persons having legal or equitable interests in real property for the  
10 development of such property; and,

11 WHEREAS, said provisions of the Government Code authorize the County to establish  
12 procedures and requirements for the consideration of development agreements; and,

13 WHEREAS, development agreements can serve to strengthen the public planning process,  
14 encourage private participation in comprehensive planning, reduce the economic costs of development,  
15 and promote the maximum efficient utilization of resources at the least economic cost to the public; and,

16 WHEREAS, the County desires to implement this authorization for development  
17 agreements in an efficient and equitable manner by providing for procedures and requirements that  
18 balance public and private benefits; and,

19 WHEREAS, there is an immediate need to provide procedures and requirements for  
20 development agreements for commercial cannabis activities; and

21 WHEREAS, on February 7, 2012, in Resolution No. 2012-047 (agenda item 3.31), the  
Board of Supervisors adopted procedures and requirements for the consideration of development  
agreements for solar power plant projects; and,

WHEREAS, on September 11, 2012, in Resolution No. 2012-201 (agenda item 3.65), the  
Board of Supervisors amended said procedures and requirements for the consideration of development  
agreements to include commercial or industrial projects; and,

FOR APPROVED BY COUNTY COUNSEL  
BY: TIFFANY N. NORTH  
DATE: 1/23/19

1                   WHEREAS, on July 15, 2014, in Resolution No. 2014-034 (agenda item 3-60), the Board  
2 of Supervisors amended said procedures and requirements for the consideration of development  
3 agreements to include residential projects; and

4                   WHEREAS, this resolution amends the previously adopted procedures and requirements to  
5 allow for the consideration of development agreements for commercial cannabis activities; and

6                   WHEREAS, the adoption of procedures and requirements for the consideration of such  
7 development agreements for commercial cannabis activities is in the public interest and the public health,  
8 safety and general welfare will be promoted thereby; now, therefore,

9                   BE IT RESOLVED, FOUND, DETERMINED AND ORDERED by the Board of  
10 Supervisors of the County of Riverside, State of California, in regular session assembled on  
11 January 29, 2019, that it adopts the procedures and requirements for the consideration of  
12 development agreements set forth in Exhibit "A" to this resolution, which exhibit is incorporated herein  
13 by this reference.

14                   BE IT FURTHER RESOLVED by the Board that this resolution shall be operative and  
15 effective immediately.

16  
17 ROLL CALL:

18 Ayes:           Jeffries, Spiegel, Washington and Perez  
19 Nays:           Hewitt  
20 Absent:         None

21                   The foregoing is certified to be a true copy of a resolution duly  
22 adopted by said Board of Supervisors on the date therein set forth.

23                   Kedia R. Harper, Clerk of said Board

24 By  \_\_\_\_\_  
25                   Deputy

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EXHIBIT "A"  
PROCEDURES AND REQUIREMENTS  
OF THE COUNTY OF RIVERSIDE FOR THE  
CONSIDERATION OF DEVELOPMENT AGREEMENTS

Article 1. AUTHORITY AND APPLICATIONS.

Section 101.	Authority and Applicability
Section 102.	Qualification as an Applicant
Section 103.	Necessary Parties
Section 103.5	Additional Necessary Parties for Commercial Cannabis Activities
Section 104.	Agents
Section 105.	Application Form and Information
Section 106.	Standard Form Development Agreement
Section 107.	Application Fees
Section 108.	Review of Application

Section 101. Authority and Applicability. These Procedures and Requirements are adopted pursuant to Article 11, Section 7 of the California Constitution and the California Development Agreement Statutes, (Government Code Section 65864 et seq.). These Procedures and Requirements shall apply only to development agreements for projects involving solar power plants, residential, commercial or industrial and commercial cannabis activity projects involving the construction of commercial retail centers, business parks and offices, industrial parks, warehouses and other similar facilities, and commercial cannabis activities but may in the future be amended to address other types of projects. Commercial cannabis activity as used herein, shall have the same definition as commercial cannabis activity in Ordinance No. 348, as may be amended.

Section 102. Qualification as an Applicant. Subject to the requirements of Sections 103 and 103.5 with respect to necessary parties, any qualified person may file an application to enter into a development agreement. A prospective applicant is a qualified person within the meaning of this section if he has a legal or equitable interest in the real property which is the subject of the development agreement. The Planning Director shall require a prospective applicant to submit proof of his interest in the real property. Such proof shall include a preliminary title report issued by a title company licensed to do business in the State of California evidencing the requisite real property interest and shall also include the statement of the applicant identifying his interest in the real property and identifying any other persons

1 known to him who have any interest in the real property. Before accepting an application, the Planning  
2 Director shall obtain the opinion of the County Counsel as to the sufficiency of the real property interest.

3           Section 103. Necessary Parties. All owners of fee simple title to all or any part of the  
4 real property which is the subject of a development agreement shall be necessary parties to the development  
5 agreement. Also, any person having a legal or equitable interest in such real property who is reasonably  
6 necessary to ensure the full implementation and performance of the development agreement throughout its  
7 term shall be a necessary party. The Planning Director shall obtain the opinion of the County Counsel as  
8 to the necessary parties to a development agreement. Notwithstanding any other provisions of these  
9 Procedures and Requirements, no hearing on the development agreement shall be held until and unless all  
10 necessary parties have agreed in writing to join in the application for the development agreement.  
11 “Necessary parties” and their successors in interest, if any, are referred to herein as “property owner(s)”.

12           Section 103.5. Additional Necessary Parties for Commercial Cannabis Activities. For any  
13 development agreement involving a commercial cannabis activity, all cannabis owners shall be considered  
14 a necessary party to the development agreement. Cannabis owner, as used herein, shall have the same  
15 definition as cannabis owner in Ordinance No. 348, as may be amended.

16           Section 104. Agents. Any applicant or necessary party may authorize an agent to act on  
17 his behalf with respect to an application by submitting written authorization acceptable to the Planning  
18 Director.

19           Section 105. Application Form and Information. The Planning Director shall determine  
20 the form of the application and may require an applicant to submit any information and supporting data that  
21 he considers necessary to process the application.

22           Section 106. Standard Form Development Agreement. The County Counsel, in  
23 consultation with the Planning Director, shall prepare one or more standard form development agreements.  
24 Separate standard form development agreements may be prepared for different types of development  
25 projects. Standard form development agreements shall be consistent with the provisions of the California  
26 Development Agreement Statutes and these Procedures and Requirements, and may include any other  
27 provisions deemed necessary or convenient to provide for implementation and performance of the  
28

1 development agreement. An application for a development agreement shall include a completed standard  
2 form development agreement applicable to the proposed type of development without any revision to the  
3 standard form development agreement. A written request for a revision to any provision of the standard  
4 form development agreement may also be submitted. Any such requested revision shall state the exact  
5 language of the proposed revised provision and the reasons for the request. All requested revisions shall be  
6 considered during review of the application.

7 Section 107. Application Fees. An application shall be accompanied by the application  
8 fees required by Ordinance No. 671 and shall be subject to the provisions prescribed therein with respect to  
9 payment, accounting, appeals and refund.

10 Section 108. Review of Application. The Planning Director shall endorse on the  
11 application the date of receipt, shall review the application, and may reject the application if it is incomplete  
12 or inaccurate. If the application is complete, the Planning Director shall accept it for filing. The Planning  
13 Director shall determine any additional requirements necessary to complete the development agreement on  
14 the basis of the application as filed. After receiving all required information, the Planning Director shall  
15 prepare a report and recommendation as to whether or not the proposed development agreement is  
16 consistent with the general plan, any applicable specific plan, and the provisions of these Procedures and  
17 Requirements.

18  
19 Article 2. REQUIREMENTS.

20	Section 201.	Required Contents
21	Section 202.	Public Benefits in General
22	Section 203.	Public Benefits for Residential Projects
23	Section 204.	Public Benefits for Commercial or Industrial Projects
24	Section 205.	Public Benefits for Solar Power Plant Projects
25	Section 205.5	Public Benefits for Commercial Cannabis Activities
26	Section 206.	Term of Development Agreement
27	Section 207.	Reservation of Authority
28	Section 208.	Construction Codes

29 Section 201. Required Contents. A development agreement shall include the following:

- 30 (a) A legal description of the property subject to the agreement.
- 31 (b) The duration of the agreement, the permitted uses of the property, the density and

1 intensity of the use, the maximum height and size of proposed buildings, and provisions for the  
2 reservation or dedication of land for public purposes.

3 (c) Conditions, terms, restrictions and requirements for subsequent County discretionary  
4 actions, provided that such conditions, terms, restrictions and requirements for subsequent  
5 discretionary actions shall not prevent development of the land for the uses and to the density or  
6 intensity of development set forth in the agreement.

7 (d) Public benefits in accordance with these Procedures and Requirements.

8 (e) If the development agreement includes a subdivision, as defined in Section 66473.7  
9 of the Government Code, the agreement shall provide that any tentative map prepared for the  
10 subdivision shall comply with Section 66473.7 of the Government Code.

11 Section 202. Public Benefits in General. As consideration for the significant private  
12 benefits conferred on property owners, a development agreement shall provide for significant public  
13 benefits in addition to any fees, dedications and public improvements otherwise required through  
14 project approval. A development agreement shall include provisions necessary or convenient to  
15 secure the performance of all requirements with respect to public benefits during the entire term of  
16 the agreement.

17 Section 203. Public Benefits for Residential Projects. A development agreement for a  
18 project that includes residential development shall include requiring the construction of major public  
19 infrastructure and/or dedication of open space land above and beyond that required to mitigate  
20 project impacts; payment of development agreement fees; or any combination of the aforementioned  
21 public benefits.

22 Section 204. Public Benefits for Commercial or Industrial Projects. A development  
23 agreement for a project that includes commercial or industrial development involving the  
24 construction of commercial retail centers, business parks and offices, industrial parks, warehouses  
25 and other similar facilities shall include provisions requiring the development of significant  
26 employment sites or provisions which will result in the County receiving other significant public  
27  
28

1 benefits including, but not limited to, the construction of major public infrastructure above and  
2 beyond that required to mitigate project impacts.

3 Section 205. Public Benefits for Solar Power Plant Projects. A development  
4 agreement for a project that includes a solar power plant shall include provisions generally  
5 consistent with the requirements of Board of Supervisors Policy B-29.

6 Section 205.5. Public Benefits for Commercial Cannabis Activities. A  
7 development agreement for a project that includes a commercial cannabis activity shall include  
8 provisions generally consistent with the requirements of Board of Supervisors Policy B-9.

9 Section 206. Term of Development Agreement. The term of a development agreement  
10 shall be subject to the following provisions.

11 (a) Residential Projects. Unless the Board of Supervisors determines that a longer or  
12 shorter term is appropriate based on special circumstances applicable to the project, the term of a  
13 development agreement for a project that consists of entirely residential development shall be thirty  
14 (30) years from the date of recordation of the development agreement.

15 (b) Commercial or Industrial Projects. Unless the Board of Supervisors determines that  
16 a longer or shorter term is appropriate based on special circumstances applicable to the project, the  
17 term of a development agreement for a project that consists of entirely commercial or industrial  
18 development shall be twenty (20) years from the date of recordation of the development agreement.

19 (c) Solar Power Plant Projects. Unless the Board of Supervisors determines that a  
20 longer or shorter term is appropriate based on special circumstances applicable to the project, the  
21 term of a development agreement for a project involving a solar power plant shall be 30 years from  
22 the date of recordation of the development agreement.

23 (d) Commercial Cannabis Activities. Unless the Board of Supervisors determine that  
24 a longer or shorter term is appropriate based on special circumstances applicable to the project, the  
25 term of a development agreement for a project involving a commercial cannabis activity shall be 10  
26 years from the date of recordation of the development agreement. Such term may be extended for  
27 one additional five (5) year period pursuant to the provisions of the development agreement and the  
28



1 conditions of approval on the conditional use permit for the commercial cannabis activity and only  
2 in accordance with applicable County ordinance.

3 Section 207. Reservation of Authority. Unless otherwise provided by these Procedures  
4 and Requirements or the development agreement, the rules, regulations, and official policies governing  
5 permitted uses of the land, governing density, and governing design, improvement, and construction  
6 standards and specifications, applicable to development of the property subject to a development agreement,  
7 shall be those rules, regulations, and official policies in force at the time of recordation of the agreement  
8 (“existing rules”). A development agreement shall not, however, prevent the County from doing any of the  
9 following:

10 (a) Applying to subsequent development approvals new rules, regulations, and policies  
11 (“new rules”) that do not conflict with those existing rules applicable to the property as set forth  
12 herein;

13 (b) Denying or conditionally approving subsequent development projects on the basis  
14 of the existing rules or on the basis of the new rules that do not conflict with the existing rules;

15 (c) Imposing subsequently adopted development exactions that are applied uniformly to  
16 similar development unless such exactions would physically prevent development of the property  
17 for the uses and at the density or intensity set forth in the development agreement; or

18 (d) Imposing regulations that may be in conflict with the development agreement,  
19 but which are reasonably necessary to protect the public health and safety.

20 Section 208. Construction Codes. A development agreement shall acknowledge the  
21 possibility of changes in the building, plumbing, mechanical, electrical, fire and grading codes applicable  
22 in the County during the term of the agreement and shall provide that any amendments to such codes relating  
23 to construction, fire or grading standards and specifications shall apply to the project subject to the  
24 development agreement.

25 Article 3. NOTICE AND HEARING.

26  
27 Section 301. Duty to Give Notice  
28 Section 302. Form, Time and Manner of Notice  
Section 303. Failure to Receive Notice

1                   Section 304.           Rules Governing Hearing  
2                   Section 305.           Errors in Proceedings

3  
4                   Section 301.   Duty to Give Notice.   The Planning Director shall give notice of the  
5 Planning Commission hearing to consider adoption of a development agreement, and the Clerk of the Board  
6 shall give notice of the Board of Supervisors hearing to consider adoption of a development agreement.

7                   Section 302.   Form, Time and Manner of Notice. Notice of hearing to consider adoption  
8 of a development agreement shall be governed by the provisions of state law (Sections 65090, 65091, and  
9 65867) and County Ordinance No. 348 (Sections 1.6 through 1.11 inclusive), as such statutes and  
10 ordinances now exist or may hereafter be amended. Notice of hearing to consider adoption of a  
11 development agreement shall be in addition to any other notice required by law for other actions to be  
12 considered concurrently with the development agreement.

13                   Section 303.   Failure to Receive Notice. The failure of any person to receive notice given  
14 pursuant to these Procedures and Requirements shall not affect the authority of the County to enter into a  
15 development agreement.

16                   Section 304.   Rules Governing Hearing. The public hearing shall to the maximum extent  
17 possible be conducted in accordance with the procedural standards set forth in Government Code Section  
18 65804 for the conduct of zoning hearings. Each person interested in the matter shall be given an opportunity  
19 to be heard. The applicant shall have the burden of proof on all issues at the public hearing on a proposed  
20 development agreement.

21                   Section 305.   Inapplicability of Formal Rules of Evidence or Procedures. The following  
22 provisions of Section 65010 of the Government Code shall apply to all proceedings concerning  
23 development agreements under these Procedures and Requirements. Formal rules of evidence or procedure  
24 applicable in judicial actions and proceedings shall not apply in any proceeding concerning a proposed  
25 development agreement. No action, inaction, or recommendation by the County or the Board of Supervisors  
26 or County administrative agencies or officials on a proposed development agreement shall be held invalid  
27 or set aside by any court on the ground of the improper admission or rejection of evidence or by reason of  
28 any error, irregularity, informality, neglect, or omission (hereinafter, "error") as to any matter pertaining to

1 petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals, or any  
2 matters of procedure, unless the court finds that the error was prejudicial and that the party complaining or  
3 appealing suffered substantial injury from that error and that a different result would have been probable if  
4 the error had not occurred. There shall be no presumption that the error was prejudicial or that injury was  
5 done if an error is shown.

6  
7 Article 4. REVIEW, FINDINGS AND DECISION

8	Section 401.	Hearing and Recommendation by Planning Commission
	Section 402.	Fast Track Projects
9	Section 403.	Hearing and Decision by the Board of Supervisors
	Section 404.	Approval of Development Agreement
10	Section 405.	Execution by Property Owner(s)
	Section 406.	Execution by County

11  
12 Section 401. Hearing and Recommendation by Planning Commission. Except as  
13 otherwise provided under Section 402 for Fast Track Projects, all development agreements shall be  
14 considered at a public hearing before the Planning Commission. At the conclusion of the hearing, the  
15 Planning Commission shall make a written recommendation to the Board of Supervisors. The Planning  
16 Commission shall include therein its reasons for making the recommendation and a determination as to  
17 whether or not the proposed development agreement:

- 18 (a) Is consistent with the general plan and any applicable specific plan;  
19 (b) Is consistent with public health, safety, and general welfare and;  
20 (c) Will provide significant public benefits.

21 Section 402. Fast Track Projects. A development project which has been designated as  
22 a fast track project by majority vote of the Board of Supervisors or by the Assistant County Executive  
23 Officer/Economic Development Agency ("EDA Director") in accordance with the provisions of Board of  
24 Supervisors Policy A-32, as now adopted or hereafter amended, may include a proposed development  
25 agreement. Notwithstanding any other provision of these Procedures and Requirements, the Board of  
26 Supervisors hereby deems it appropriate and necessary to reserve to itself the functions of the planning  
27 agency with respect to hearing any development agreement included in the fast track project.

1 Notwithstanding Section 401 or any other provision of these Procedures and Requirements, no hearing  
2 before the Planning Commission shall be required with respect to any development agreement included in  
3 a fast track project. A development agreement included in a fast track project shall be subject to the  
4 procedures set forth in Section 18.26a of Ordinance No. 348 and shall remain subject to all provisions of  
5 these Procedures and Requirements except the requirement for hearing before the Planning Commission.

6 Section 403. Hearing and Decision by the Board of Supervisors. Upon receipt of the  
7 recommendation of the Planning Commission, the Clerk of the Board of Supervisors shall set the proposed  
8 development agreement for hearing by the Board. After the Board completes its public hearing it may  
9 approve, modify, or disapprove, the recommendation of the Planning Commission. A development  
10 agreement shall not be approved unless the Board finds that the provisions of the agreement are:

- 11 (a) Consistent with the general plan and any applicable specific plan;
- 12 (b) Consistent with the public health, safety, and general welfare; and
- 13 (c) Provide significant public benefits.

14 The decision of the Board shall be final.

15 Section 404. Approval of Development Agreement. A development agreement is a  
16 legislative act that shall be approved by ordinance and is subject to referendum. The ordinance shall refer  
17 to and incorporate by reference the text of the development agreement.

18 Section 405. Execution by Property Owner(s). Prior to close of the Board of  
19 Supervisors hearing on a development agreement, all property owner(s) shall execute the agreement. The  
20 executed agreement shall be accompanied by a current title report, in a form satisfactory to the County,  
21 issued by a title company licensed to do business in the State of California confirming the ownership interest  
22 of all property owner(s) to the satisfaction of the County. The executed agreement shall also be  
23 accompanied by a statement by each property owner, in a form satisfactory to the County, identifying his  
24 interest in the real property and identifying any other persons known to him who have any interest in the  
25 real property. The County may require that the evidence of title required by this section be further updated  
26 prior to execution by the County.

1           Section 406. Execution by County. Within ten days after the ordinance approving a  
2 development agreement takes effect, the Chairman of the Board shall execute the agreement on behalf of  
3 the County.

4  
5           Article 5. RECORDATION.

6           Section 501.           Recordation of Agreement  
7           Section 502.           Recordation of Amendment or Cancellation  
8           Section 503.           Recordation of Modification or Termination  
9           Section 504.           Effect of Recordation

10           Section 501. Recordation of Agreement. Within ten days after the County executes a  
11 development agreement, the Clerk of the Board of Supervisors shall record with the County Recorder a  
12 copy of the agreement, which shall describe the land subject thereto.

13           Section 502. Recordation of Amendment or Cancellation. If the parties to the agreement  
14 or their successors in interest amend or cancel the agreement as provided in Article 6 of these Procedures  
15 and Requirements and Government Code Section 65868, the Clerk of the Board of Supervisors shall record  
16 notice of such action with the County Recorder.

17           Section 503. Recordation of Modification or Termination. If the County terminates or  
18 modifies the agreement as provided in Article 8 of these Procedures and Requirements and Government  
19 Code Section 65865.1, the Clerk of the Board of Supervisors shall record notice of such action with the  
20 County Recorder.

21           Section 504. Effect of Recordation. From and after the time of the recordation required  
22 by this Article, notice shall be imparted as provided by the recording laws of the State of California. The  
23 burdens of the agreement shall be binding upon, and the benefits of the agreement shall inure to, all  
24 successors in interest to the parties to the agreement.

25           Article 6. AMENDMENT OR CANCELLATION.

26           Section 601.           Who May Propose  
27           Section 602.           Procedure  
28           Section 603.           Mutual Consent

1           Section 601. Who May Propose. Any party, or successor in interest, to a development  
2 agreement may propose an amendment or cancellation, in whole or in part, of the agreement.

3           Section 602. Procedure. The procedure for proposing, reviewing, hearing and  
4 adopting an amendment or cancellation, in whole or in part, of a development agreement shall be the same  
5 as the procedure for entering into the development agreement in the first instance; provided, however, that  
6 the special procedures for Fast Track Projects set forth in Section 402 of these Procedures and Requirements  
7 shall not apply to any amendment or cancellation. In addition, if the County initiates a proposed amendment  
8 or cancellation of the agreement, it shall first give written notice by mail to all parties, or their successors  
9 in interest, of its intention to initiate such proceedings not less than thirty days prior to giving the public  
10 notice of any hearing to consider the amendment or cancellation.

11           Section 603. Mutual Consent. Any amendment or cancellation shall be by mutual  
12 consent of the parties or their successors in interest except as provided in Article 8 of these Procedures and  
13 Requirements and Government Code Section 65865.1.

14           Article 7. REVIEW.

15           Section 701.           Annual Review  
16           Section 702.           Special Review  
17           Section 703.           Procedure

18           Section 701. Annual Review. The Transportation and Land Management Agency  
19 (“TLMA”) Director, in consultation with the County Executive Officer and the County Counsel, shall  
20 review a development agreement annually in order to determine the good faith compliance of the property  
21 owner(s) with the terms of the agreement. On or before the annual review date set forth in the agreement,  
22 the property owner(s) shall submit an annual monitoring report, in a form specified by the TLMA Director  
23 providing all information necessary to evaluate such good faith compliance as determined by the TLMA  
24 Director. The property owner(s) shall pay the annual review and administration fee set forth in Ordinance  
25 No. 671 prior to submission of the annual monitoring report. Any development agreement may include  
26 provisions requiring prepayment, or securing payment, of the annual review and administration fee.

27           Section 702. Special Review. The Board of Supervisors may order a special review  
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1 of good faith compliance of all property owner(s) with a development agreement at any time. The TLMA  
2 Director, in consultation with the County Executive Officer and the County Counsel, shall conduct such  
3 special reviews. The property owner(s) shall provide all information required to conduct such special  
4 review.

5 Section 703. Procedure.

6 (a) During either an annual review or a special review, the property owner(s) shall be  
7 required to demonstrate good faith compliance with the terms of the agreement. The burden of  
8 proof on this issue shall be on the property owner(s).

9 (b) Upon completion of an annual review or a special review, the TLMA Director shall  
10 submit a report to the Board of Supervisors setting forth the evidence concerning good faith  
11 compliance by the property owner(s) with the terms of the agreement and his recommended finding  
12 on that issue.

13 (c) If the Board of Supervisors finds on the basis of substantial evidence that there has  
14 been good faith compliance by the property owner(s) with the terms and conditions of the agreement,  
15 the review shall be concluded.

16 (d) If the Board of Supervisors makes a preliminary finding on the basis of substantial  
17 evidence that there has not been good faith compliance by the property owner(s) with the terms or  
18 conditions of the agreement, the Board may modify or terminate the agreement as provided in Article  
19 8 of these Procedures and Requirements.

20  
21 Article 8. MODIFICATION OR TERMINATION.

22 Section 801. Notice  
23 Section 802. Hearing

24 Section 801. Notice. If, upon a preliminary finding under Section 703(d) above, the  
25 Board of Supervisors decides to proceed with modification or termination of the agreement, the County  
26 shall give at least ten days written notice to the property owner(s) of its intention to do so. The notice shall  
27 contain:  
28

- 1           (a)     The time and place of hearing;
- 2           (b)     A statement as to whether or not the County proposes to modify or terminate the
- 3     development agreement; and,
- 4           (c)     Such other information as is reasonably necessary to inform the property owner(s)
- 5     of the nature of the proceeding.

6           Section 802. Hearing.     At the time and place set for the hearing on modification or

7     termination, the property owner(s) shall be given an opportunity to be heard and shall be entitled to present

8     written and oral evidence. The property owner(s) shall be required to demonstrate good faith compliance

9     with the terms and conditions of the agreement. The burden of proof on this issue shall be on the property

10    owner(s). If the Board of Supervisors finds, based upon substantial evidence, that there has not been good

11    faith compliance by the property owner(s) with the terms or conditions of the agreement, the Board may

12    terminate or modify the agreement and impose such conditions as are reasonably necessary to protect the

13    interests of the County. The decision of the Board is final.

14

15           Article 9.        CHANGES IN STATE OR FEDERAL LAW.

16

17           Section 901.     Effect of Changes in State or Federal Law on Development Agreement.

18     In the event that state or federal laws or regulations, enacted after a development agreement has been entered

19     into, prevent or preclude compliance with one or more provisions of the development agreement, such

20     provisions of the agreement shall be modified or suspended as may be necessary to comply with such state

21     or federal laws or regulations.

22

23           Article 10.     ARCHIVE COPY OF DEVELOPMENT AGREEMENT.

24

25           Section 1001.   Archive Copy.     The Clerk of the Board of Supervisors shall maintain

26     an archive copy of all development agreements, including all incorporated exhibits. The archive copy shall

27     include all subsequent approvals granted pursuant to the development agreement and a record of each

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1 annual or special review conducted on the development agreement. The Planning Director shall provide  
2 the Clerk of the Board with copies of all exhibits incorporated in all development agreements including  
3 copies of all subsequent approvals granted pursuant to such development agreements.

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ORDINANCE NO. 671.21

AN ORDINANCE OF THE COUNTY OF RIVERSIDE  
AMENDING ORDINANCE NO. 671 ESTABLISHING CONSOLIDATED FEES RELATED TO  
LAND USE AND RELATED FUNCTIONS

The Board of Supervisors of the County of Riverside ordains as follows:

Section 1. Section 16.2 of Ordinance No. 671 is amended to read as follows:

“Section 16.2. Resolution No. 2019-037 Fees.

The fees for Resolution No. 2019-037 Establishing Procedures and Requirements for the Consideration of Development Agreements, as now adopted or hereafter amended, shall be paid to the Transportation and Land Management Agency or the Planning Department and deposited into the General Fund as provided herein. The fees shall be as follows:

A. Each application for a development agreement shall be accompanied by a nonrefundable cost recovery fee to recover the direct costs associated with developing procedures and requirements for the consideration of development agreements; provided, however, that such fee shall not apply and shall not be payable whenever all such costs have been recovered.

1. General Fund.

a. Planning Department 1000

B. Each application for a development agreement shall be accompanied by the following fees. The following fees shall also apply to any application to amend or cancel, in whole or in part, a development agreement.

**Deposit-based Fee:**

1. General Fund.

a. Planning Department 5,000

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C. The submission of each annual monitoring report for a development agreement shall be accompanied by the following fees.

**Deposit-based Fee:**

- 1. General Fund.
  - a. Transportation and Land Management Agency 5000"

Section 2. This ordinance shall take effect sixty (60) days after its adoption.

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

CLERK OF THE BOARD

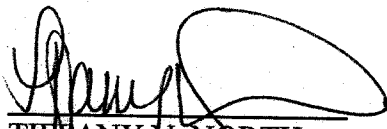
By: \_\_\_\_\_

Deputy

(SEAL)

APPROVED AS TO FORM

January 23, 2019

By:   
TIFFANY N. NORTH  
Assistant County Counsel

**COUNTY OF RIVERSIDE, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Policy**

**Subject:**

**COMMERCIAL CANNABIS ACTIVITIES**

**Number**

**B-9**

**Page**

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**Purpose:**

On November 8, 2016, the voters of California adopted Proposition 64 which legalized the use of cannabis for adult use and established a maximum cultivation allowance of 6 plants for personal use. Proposition 64 allows for local control of adult use cannabis land uses, and reasonable regulation of personal cultivation of up to six (6) cannabis plants per residence. In Riverside County, approximately 53% of the voters countywide voted in favor of Proposition 64. 57% of voters statewide approved Proposition 64.

In recognition of the will of the voters, the Board of Supervisors has evaluated its options with regard to commercial cannabis activities in the unincorporated areas and has developed a comprehensive, regulatory framework for commercial cannabis activities.

That said, the County remains concerned that there has not been enough time to evaluate and determine the impacts and best practices for commercial cannabis activities on a large-scale or the long term impacts of such commercial cannabis activities on surrounding communities given that this is a new land use. For example, children are particularly vulnerable to the effects of cannabis use, and the presence of cannabis plants or cannabis products is an attractive nuisance for children, creating an unreasonable hazard in areas frequented by children including schools, parks, and other similar locations. Unregulated commercial cannabis activities in the unincorporated area of Riverside County adversely affect the health, safety, and welfare of the County, its residents and environment in such ways as greater risks of criminal activity, degradation of the natural environment, malodorous smells, and fire hazards. Regulated commercial cannabis activities may also adversely affect the health, safety and welfare of the County, its residents and environment if not regulated properly with specific and enforceable conditions of approval or if multiple commercial cannabis activities are concentrated in one place.

The Board recognizes that the voters of Riverside County support commercial cannabis activities. However, the benefits of commercial cannabis activities occur mainly to the cannabis owner or property owner on where the commercial cannabis activity occurs. The County wants to conditionally permit commercial cannabis activities in the unincorporated area but not at the expense of the surrounding residents and communities.

Permitting of commercial cannabis activities shall be done in a manner to avoid putting the fundamental values of the County, as expressed in its General Plan, in jeopardy. These fundamental values include "sustainability", pursuant to which the County has an expectation that its future residents will inherit communities offering them a reasonable

**COUNTY OF RIVERSIDE, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

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range of choices (General Plan pg. V-7); "safety", pursuant to which the County acknowledge security of person and property as one of the most basic community needs and commit to designing our communities so that vulnerability to natural and manmade hazards, as well as criminal activities, is anticipated and kept to a minimum (General Plan pg. V-6), the "natural environment", pursuant to which the County is committed to maintaining sufficient areas of natural open space and sustaining the permanent viability of unique landforms and ecosystems (General Plan pg. V-6).

Additionally, the following General Plan Policies may be affected by the large number of conditionally permitted commercial cannabis activities:

- Land Use Element Policy LU 2.1.c. - the County shall provide a broad range of land uses, including a range of residential, commercial, business, industry, open space, recreation and public facility uses (General Plan pg. LU-19).
- Land Use Element Policy LU 5.1- the County shall ensure that development does not exceed the ability to adequately provide supporting infrastructure and services (General Plan LU-24).
- Land Use Element Policy LU 7.1 – the County require land uses to develop in accordance with the General Plan and area plans to ensure compatibility and minimize impacts (General Plan LU-26).
- Land Use Element Policy LU 8.1 - the County shall accommodate the development of a balance of land uses that maintain and enhance Riverside County's fiscal viability, economic diversity and environmental integrity (General Plan LU-27).
- Land Use Element Policy LU 9.1 - the County shall provide for the permanent preservation of open space lands that contain important natural resources, cultural resources, hazards, water features, watercourses including arroyos and canyons, and scenic and recreational values (General Plan LU-28).
- Land Use Element Policy LU 10.1 – the County shall require that new development contribute their fair share to fund infrastructure and public facilities such as police and fire facilities (General Plan LU-30).
- Land Use Element Policy LU 14.1 - the County shall preserve and protect outstanding scenic vistas and visual features for the enjoyment of the traveling public (General Plan LU-33).

**COUNTY OF RIVERSIDE, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Policy**

**Subject:**

**COMMERCIAL CANNABIS ACTIVITIES**

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The purposes of this Board policy are to implement these and other General Plan provisions, to ensure that the County does not disproportionately bear the burden of commercial cannabis activities throughout the County, to ensure the County receives public benefits for the commercial cannabis activities, to ensure there are adequate resources available for enforcement of permitted and unpermitted commercial cannabis activities, and to give cannabis owners and property owners certainty as to the County's requirements.

**Policy:**

To secure public health, safety and welfare, a commercial cannabis activity permit shall be subject to the requirements of this policy as well as the requirements of any applicable ordinance, state or federal law.

No approval required by Ordinance No. 348, or any other zoning ordinance subsequently adopted by the Board of Supervisors, shall be given for a commercial cannabis activity unless the Board of Supervisors first approves a development agreement for the commercial cannabis activity, setting forth the terms and conditions under which the commercial cannabis activity will operate in addition to the requirements of the County's zoning ordinance, all other local ordinances and regulations, state law and the development agreement is effective.

Each development agreement shall include provisions consistent with the following requirements:

**Public Benefits.** Cannabis owners and property owners shall pay the County a public benefit fee. The public benefit fee shall consist of two components:

1. An annual baseline public benefit fee established by the County based upon square footage and State license type to be in addition to any application and permit fees applicable to the conditional use permits, which can be used for essential services supplied by the County, including but not limited to ordinance enforcement. The baseline public benefit fees are:

**COUNTY OF RIVERSIDE, CALIFORNIA  
BOARD OF SUPERVISORS POLICY**

**Policy**

**Subject:  
COMMERCIAL CANNABIS ACTIVITIES**

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<b>License Type</b>	<b>Baseline Public Benefit Fee (\$ Per Square Foot)</b>
<b>CULTIVATION</b>	
Mixed-Light, 2,500 square feet (sf) or less	\$2.00
Mixed-Light, greater than 2,500 sf to 5,000 sf	\$2.50
Mixed-Light, greater than 5,000 sf to 10,000 sf	\$3.00
Mixed-Light, greater than 10,000 sf to 43,560 sf	\$3.50
Indoor, 2,500 sf or less	\$4.00
Indoor, greater than 2,500 sf to 5,000 sf	\$4.50
Indoor, greater than 5,000 sf to 10,000 sf	\$5.00
Indoor, greater than 10,000 sf to 43,560 sf	\$5.50
<b>RETAIL</b>	
Small, 2,500 sf or less	\$16.00
Medium, greater than 2,500 sf to 6,000 sf	\$18.00
Large, greater than 6,000 sf	\$20.00
<b>MANUFACTURING (6,7)</b>	
Small, 3,000 sf or less	\$4.00
Large, greater than 3,000 sf	\$4.50
<b>MANUFACTURING (N, S, P)</b>	
Small, 3,000 sf or less	\$3.00
Large, greater than 3,000 sf	\$3.50
<b>OTHERS</b>	
Nursery	\$0.50
Distribution (all sizes)	\$3.00
Testing	\$2.00

2. An additional public benefit as proposed by each Cannabis owner and property owner and to be negotiated with the County. Each development agreement shall describe the benefits that the commercial cannabis activity will provide to the local community, such as, but not limited to, quantifiable employment for residents of the County, community contributions, funding for infrastructure, funding for additional Sheriff patrols, community clean-up or beautification programs, or economic incentives to the County. Said additional public benefit shall be in addition to any mitigation or development impact fees required to be paid for the commercial cannabis activity under state law and County ordinances.

**Annual Increase.** The baseline public benefit fee shall be subject to annual increases by two percent from and after 2019.

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**Sales and Use Taxes.** In addition to any provisions of the development agreement, cannabis owners and property owners shall be responsible for timely and accurate submittal of state and local taxes, including but not limited to any sales and use taxes and excise taxes required under the MAURSA. Nothing in the development agreements or this Board policy shall relieve the cannabis owner or property owner from prompt and proper payment of state and local taxes.

**Term.** The development agreement and conditional use permit for any commercial cannabis activity shall have a ten (10) year term. Such term may be extended for an additional five (5) years pursuant to the provisions of the development agreement and the conditions of approval for the conditional use permit and only in accordance with applicable County ordinance.

**Implementation Plan.** In addition to the provisions of this policy, there shall be a framework for an implementation process of an initial, first-year, ramp-up for processing for conditional use permits for Commercial Cannabis Cultivation and Retail Sales. The phased Implementation Process consists of an initial limit of fifty (50) conditional use permits issued for cannabis cultivation and nineteen (19) conditional use permits issued for cannabis retailers in the unincorporated areas of the County. The Implementation Process was approved by the Board of Supervisors on October 23, 2018 in Agenda Item 19.1 (Attachment F) Except for activities that include cannabis cultivation or cannabis retail sales, all other applicants considering commercial cannabis activities may submit conditional use permit applications to the Planning Department and process these for conditional use permits, concurrently with a Development Agreement once Ordinance No. 348.4898 is in effect (60 days after the Board's adoption). The Implementation Process shall be followed for the processing of land use applications for cannabis cultivation or retail sales.

**Exception.** A property owner or Cannabis owner may make a written request to be excepted from this policy at the time the property owner or cannabis owner files an application for a conditional use permit for a commercial cannabis activity or at any time thereafter, prior to approval of the conditional use permit. The Board of Supervisors may grant the exception request upon a finding of special circumstances. Special circumstances shall include, but not be limited to, a determination that the commercial cannabis activity has a substantial benefit to the County above and beyond the payment of required taxes or the implementation of any mitigation measures identified in any applicable environmental document. Special circumstances shall not include financial or economic hardship.



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**Definitions:**

As used in this policy, the following terms shall have the following meanings:

CANNABIS OWNER is any of the following:

1. A person with an aggregate ownership interest of 20 percent or more in the Commercial Cannabis Activity for which a license or permit is being sought, unless the interest is solely a security, lien, or encumbrance.
2. The chief executive officer of a nonprofit or other entity.
3. A member of the board of directors of a nonprofit.
4. An individual who will be participating in the direction, control, or management of the person applying for a Commercial Cannabis Activity Conditional Use Permit or State license.

**COMMERCIAL CANNABIS ACTIVITY.** The cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of Cannabis and cannabis products as provided for in Ordinance No. 348, as amended through Ordinance No. 348.4898, and any other subsequently adopted zoning ordinance amendment or subsequently adopted zoning ordinance.

**PROPERTY OWNER.** All owners to all or any portion of the property that is subject to the development agreement for the commercial cannabis activity. Also, any person having legal or equitable interest in such real property who is reasonably necessary to ensure the full implementation and performance of the development agreement throughout its term shall be considered a property owner for purposes of this policy and the development agreement.

**Integration:**

Board of Supervisors Policy No. B-9, as adopted on January 29, 2019 is approved as part of a comprehensive, integrated legislative program which also includes the adoption of Ordinance No. 348.4898. The Board of Supervisors declares that it would not have adopted Board of Supervisors Policy No. B-9 unless Ordinance No. 348.4898 was also adopted and effective. In the event that any provision of Board of Supervisors Policy No. B-9 or Ordinance No. 348.4898 is determined to be invalid or unenforceable, in whole or in part, by a court of competent jurisdiction, then Board of Supervisors Policy No. B-9 and Ordinance No. 348.4898 shall be deemed invalid in their entirety and shall have no further force or effect.

# HdL<sup>+</sup> Companies

January 23, 2019

**Subject: Matrix of Fees and Public Benefit Contributions**

The attached matrix is designed to demonstrate the amount of revenue that could be generated for the County of Riverside by applying a combination of both fees and public benefit contributions to permitted cannabis businesses. This matrix does not include the direct departmental costs associated with staff time spent on the application process, permitting or compliance for individual cannabis businesses.

**Baseline Fees**

The baseline fee for each cannabis business is based on a reasonable apportionment of related regulatory costs, which would include indirect, ongoing impacts upon the County from the regulation of the commercial cannabis industry, including law enforcement, public health education, social services programs, and other County costs for which there is a reasonable nexus with the cannabis industry. The County has so far identified \$3,154,707 in such departmental costs associated with these activities.

Proposed Departmental Funding Allocation	
District Attorney	\$547,593
Riverside Sheriff's Office	\$500,000
Planning / Land Use	\$346,868
Code Enforcement	\$1,326,460
County Counsel	\$95,000
Public Health (\$647,574 requested; 50% allocation to unincorporated area)	\$323,786
Ag Commission	\$15,000
<b>Total:</b>	<b>\$3,154,707</b>

**Public Benefit Contribution**

The public benefit contribution presents an anticipated range of additional benefits that cannabis business applicants may offer and commit to as a competitive part of the development agreement process. An applicant may use such additional public benefits to increase the competitiveness of their proposal and thus increase the likelihood of being granted one of the limited number of permits available in the first year phase-in period for the various cannabis business types. These additional public benefits are left to the applicant to define and may take the form of direct monetary contributions or in-kind contributions.

For example, a cannabis business applicant may offer to pay an additional contribution per square foot (on top of the baseline fee), or they may offer to fund a specific service, such as the full or partial cost of

an additional Sheriff's Deputy, or a public works project that improves the neighborhood where the business intends to locate. Public benefits may also extend to quantifiable employment for residents of the County, community contributions, or economic incentives to the County.

These public benefit contributions are presented as a range, from high to low. These ranges are based upon common cannabis tax rates among 25 local government ballot measures on this past November's ballot. It is common to base cannabis cultivation taxes on square footage, but it is uncommon to do so for retailers, manufacturers or other types of cannabis businesses.

In this case, the public benefit contribution is not intended to be proportional to earnings in any way, but is rather intended to be proportional to the amount of impact that the business may have broadly on the community. The range of public benefit contributions is intended to approximate the amount of contributions that cannabis businesses around the State are able to reasonably provide, based upon typical profit margins and operational costs converted to a reasonable square-foot apportionment.

A business with a larger footprint may reasonably be expected to generate more auto and foot traffic, have more deliveries and/or shipping, to require more parking, to sell or produce more product, to produce more noise, lighting or odor impacts, and to generally have a greater impact on the surrounding neighborhood. Though the most direct impacts are addressed through the normal permitting process, the development agreement allows the developer and the County to mutually agree to far greater public benefits than could otherwise be required.

## Scenarios

The 4 scenarios below all consider the same baseline fee structure, which is designed to recoup the \$3,154,707 in departmental costs when distributed across the anticipated number of cannabis business permits to be issued. However, the actual amount of revenue that would be generated would be a function of the number and size (in square feet) of the various permitted businesses. The rates for both the baseline fees and the public benefit contributions are the same in all 4 scenarios, as are the average square footage for each business type.

The baseline fee and the expected range of public benefit contributions both vary by the type of cannabis business activity and by the size classification. The rates are generally tiered so that smaller operations (by square footage) pay a lower rate than larger operations. The average square footage for each business type was determined by an analysis of 100 cannabis business applications from jurisdictions in the greater Riverside and Los Angeles area, along with nationwide data<sup>1</sup>.

Cultivation licenses are broken down by both type (mixed-light or indoor) and size (<2,500 sf, 2500-5,000 sf, 5,001-10,000 sf, and 10,001-43,560 sf or one acre). These classifications are all taken from the State license types. The average square footage for each class is assumed to be 80% of the maximum allowable.

State license types for cannabis retailers are distinguished only by storefront (with or without delivery) and non-storefront (delivery only), rather than by size or square footage. For our purposes, we have

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<sup>1</sup> Eli McVey, et al. (2017) "Marijuana Business Factbook 2017" Marijuana Business Daily

created three size categories for retailers (<2,500 sf, 2,501-6,000 sf, and >6,000 sf). The average square footage for each category is derived from the analysis described above.

State regulations divide cannabis manufacturers into 5 license types; Type 6 (extraction using non-volatile solvents), Type 7 (extraction using volatile solvents), Type N (infusion, non-extraction), Type P (packaging and labeling), and Type S (manufacturing in a shared-use facility). For our purposes, we have grouped licenses by those conducting extraction (Types 6 and 7) and those who do not conduct extraction (Types N, P and S). We have also divided manufacturers by size class (<3,000 sf and >3,000 sf). Here, again, both the size classes and the average square footage are based on our analysis.

Nurseries, distributors and testing laboratories are each kept to a single classification, without subgroupings based on size. The average square footage is based on the same analysis.

The County intends to limit the number of permits it issues in the first year for both cultivators and retailers, as a way to phase-in the permit workload. Cultivators will initially be limited to 50 permits, and retailers will be limited to 19 permits. Either of these limits may be revised or increased in future years at the discretion of the Board of Supervisors to respond to market demand. There is no proposed limit on any of the other license types.

For all four of our scenarios, we have assumed a total of 100 permits with the following breakdown: 50 cultivators, 19 retailers, 22 manufacturers, 4 nurseries, 4 distributors, and 1 testing laboratory. We have provided 4 scenarios that use this same distribution of permit types, but with variations of the array of cultivation licenses.

Scenario 1 assumes a heavy concentration of mixed-light permits, with roughly twice as many permits for the smaller size classes than for the largest. Scenario 2 assumes a higher concentration of permits for indoor cultivation, with an even distribution of 25 indoor and 25 mixed-light. Scenario 3 assumes the same proportion of mixed-light cultivation found in Scenario 1, but with a higher concentration of larger permit sizes, rather than smaller. Scenario 4 assumes that the 50 cultivation licenses will be apportioned consistent with statewide percentages. For example, licenses for "small" mixed-light cultivation account for 58% of all mixed-light and indoor cultivation licenses statewide. Applying that percentage to Riverside County's total of 50 would yield 29 such permits.

Based on these models, the range of baseline fees that could be recovered varies from \$3,085,000 (Scenario 1) up to \$4,168,000 (Scenario 3). Revenues generated from public benefit contributions would vary based on both the scenario and upon the range of contributions agreed to in each development agreement. In Scenario 1, these contributions would range from a low of \$5,254,000 to a high of \$8,084,500. In Scenario 3 these contributions would range from a low of \$6,490,000 to a high of \$10,094,500.

Scenario 1: More Mixed-Light Cultivation					Baseline Fee			Public Benefit Contributions (range)		
License Type	Qty	Avg. SF	Total SF	Fee (\$/sf)	Individual Revenue	Total Revenue	Contribution Range (\$/sf)	Contribution per Business	Combined Revenue	
<b>Cultivation</b>										
Mixed-Light, <2,500 sf	10	2,000	20,000	\$2.00	\$4,000	\$40,000	\$4.00 - \$7.00	\$8,000 - \$14,000	\$80,000 - \$140,000	
Mixed-Light, 2,500-5,000 sf	10	4,000	40,000	\$2.50	\$10,000	\$100,000	\$4.00 - \$7.00	\$16,000 - \$28,000	\$160,000 - \$280,000	
Mixed-Light, 5,001-10,000 sf	10	8,000	80,000	\$3.00	\$24,000	\$240,000	\$4.00 - \$7.00	\$32,000 - \$56,000	\$320,000 - \$560,000	
Mixed-Light, 10,001-43,560 sf	5	22,000	110,000	\$3.50	\$77,000	\$385,000	\$4.00 - \$7.00	\$88,000 - \$154,000	\$440,000 - \$770,000	
Indoor, <2,500 sf	5	2,000	10,000	\$4.00	\$8,000	\$40,000	\$7.00 - \$10.00	\$14,000 - \$20,000	\$70,000 - \$100,000	
Indoor, 2,500-5,000 sf	5	4,000	20,000	\$4.50	\$18,000	\$90,000	\$7.00 - \$10.00	\$28,000 - \$40,000	\$140,000 - \$200,000	
Indoor, 5,001-10,000 sf	3	8,000	24,000	\$5.00	\$40,000	\$120,000	\$7.00 - \$10.00	\$56,000 - \$80,000	\$168,000 - \$240,000	
Indoor, 10,001-43,560 sf	2	22,000	44,000	\$5.50	\$121,000	\$242,000	\$7.00 - \$10.00	\$154,000 - \$220,000	\$308,000 - \$440,000	
<b>Total Cultivation</b>	<b>50</b>		<b>348,000</b>			<b>\$1,257,000</b>			<b>\$1,686,000 - \$2,730,000</b>	

Retail	
Small <2,500 SF	10, 1,650, 16,500, \$16.00, \$26,400, \$264,000, \$32.00 - \$48.00, \$52,800 - \$79,200, \$528,000 - \$792,000
Medium 2,501-6,000 SF	5, 4,250, 21,250, \$18.00, \$76,500, \$382,500, \$36.00 - \$54.00, \$153,000 - \$229,500, \$765,000 - \$1,147,500
Large >6,000 SF	4, 9,850, 39,400, \$20.00, \$197,000, \$788,000, \$40.00 - \$60.00, \$394,000 - \$591,000, \$1,576,000 - \$2,364,000
<b>Total Retail</b>	<b>19, 77,150, \$33,500, \$1,257,000, \$5,869,000 - \$4,303,500</b>

Manufacturing (S, Z)	
Small <3,000 SF	5, 2,500, 12,500, \$4.00, \$10,000, \$50,000, \$8.00 - \$12.00, \$20,000 - \$30,000, \$100,000 - \$150,000
Large >3,000 SF	5, 5,000, 25,000, \$4.50, \$22,500, \$112,500, \$9.00 - \$14.00, \$45,000 - \$70,000, \$225,000 - \$350,000
<b>Manufacturing (N, P, S)</b>	
Small <3,000 SF	8, 2,500, 20,000, \$3.00, \$7,500, \$60,000, \$6.00 - \$9.00, \$15,000 - \$22,500, \$120,000 - \$180,000
Large >3,000 SF	4, 5,000, 20,000, \$3.50, \$17,500, \$70,000, \$7.00 - \$10.00, \$35,000 - \$50,000, \$140,000 - \$200,000
<b>Total Manufacturing</b>	<b>22, 77,500, \$292,500, \$585,000 - \$890,000</b>

Others	
Nursery	4, 22,000, 88,000, \$0.50, \$11,000, \$44,000, \$1.00 - \$2.00, \$22,000 - \$44,000, \$88,000 - \$176,000
Distribution (all sizes)	4, 4,500, 18,000, \$3.00, \$13,500, \$54,000, \$6.00 - \$9.00, \$27,000 - \$40,500, \$108,000 - \$162,000
Testing	1, 1,500, 1,500, \$2.00, \$3,000, \$3,000, \$4.00 - \$6.00, \$6,000 - \$9,000, \$6,000 - \$9,000
<b>Total Others</b>	<b>9, 107,500, \$107,000, \$112,000 - \$171,000</b>

<b>TOTAL</b>	<b>100</b>	<b>610,150</b>	<b>\$3,085,000</b>	<b>\$5,254,000 - \$8,084,500</b>
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Scenario 2: More Indoor Cultivation					Baseline Fee		Public Benefit Contributions (Range)		
License Type	Qty	Avg Sf	Total Sf	Fee (\$/sf)	Individual Revenue	Total Revenue	Contribution Range (\$/sf)	Contribution per Business	Combined Revenue
<b>Cultivation</b>									
Mixed-Light, <2,500 sf	5	2,000	10,000	\$2.00	\$4,000	\$20,000	\$4.00 - \$7.00	\$8,000 - \$14,000	\$40,000 - \$70,000
Mixed-Light, 2,500-5,000 sf	5	4,000	20,000	\$2.50	\$10,000	\$50,000	\$4.00 - \$7.00	\$16,000 - \$28,000	\$80,000 - \$140,000
Mixed-Light, 5,001-10,000 sf	10	8,000	80,000	\$3.00	\$24,000	\$240,000	\$4.00 - \$7.00	\$32,000 - \$56,000	\$320,000 - \$560,000
Mixed-Light, 10,001-43,560 sf	5	22,000	110,000	\$3.50	\$77,000	\$385,000	\$4.00 - \$7.00	\$88,000 - \$154,000	\$440,000 - \$770,000
Indoor, <2,500 sf	5	2,000	10,000	\$4.00	\$8,000	\$40,000	\$7.00 - \$10.00	\$14,000 - \$20,000	\$70,000 - \$100,000
Indoor, 2,500-5,000 sf	5	4,000	20,000	\$4.50	\$18,000	\$90,000	\$7.00 - \$10.00	\$28,000 - \$40,000	\$140,000 - \$200,000
Indoor, 5,001-10,000 sf	10	8,000	80,000	\$5.00	\$40,000	\$400,000	\$7.00 - \$10.00	\$56,000 - \$80,000	\$560,000 - \$800,000
Indoor, 10,001-43,560 sf	5	22,000	110,000	\$5.50	\$121,000	\$605,000	\$7.00 - \$10.00	\$154,000 - \$220,000	\$770,000 - \$1,100,000
<b>Total Cultivation</b>	<b>50</b>		<b>440,000</b>			<b>\$1,830,000</b>			<b>\$2,420,000 - \$3,740,000</b>

Retail	
Small <2,500 SF	10 1,650 16,500 \$16.00 \$26,400 \$264,000 \$32.00 - \$48.00 \$52,800 - \$79,200 \$528,000 - \$792,000
Medium 2,501-6,000 SF	5 4,250 21,250 \$18.00 \$76,500 \$382,500 \$36.00 - \$54.00 \$153,000 - \$219,500 \$765,000 - \$1,147,500
Large >6,000 SF	4 9,850 39,400 \$20.00 \$197,000 \$788,000 \$40.00 - \$60.00 \$394,000 - \$591,000 \$1,576,000 - \$2,364,000
<b>Total Retail</b>	<b>19</b> <b>77,150</b> <b>\$1,434,500</b> <b>\$1,434,500</b> <b>\$2,869,000 - \$4,303,500</b>

Manufacturing (6,7)	
Small <3,000 SF	5 2,500 12,500 \$4.00 \$10,000 \$50,000 \$8.00 - \$12.00 \$20,000 - \$30,000 \$100,000 - \$150,000
Large >3,000 SF	5 5,000 25,000 \$4.50 \$22,500 \$112,500 \$9.00 - \$14.00 \$45,000 - \$70,000 \$225,000 - \$350,000
<b>Manufacturing (N, P, S)</b>	
Small <3,000 SF	8 2,500 20,000 \$3.00 \$7,500 \$60,000 \$6.00 - \$9.00 \$15,000 - \$22,500 \$120,000 - \$180,000
Large >3,000 SF	4 5,000 20,000 \$3.50 \$17,500 \$70,000 \$7.00 - \$10.00 \$35,000 - \$50,000 \$140,000 - \$200,000
<b>Total Manufacturing</b>	<b>22</b> <b>77,500</b> <b>\$292,500</b> <b>\$292,500</b> <b>\$585,000 - \$880,000</b>

Others	
Nursery	4 22,000 88,000 \$0.50 \$11,000 \$44,000 \$1.00 - \$2.00 \$22,000 - \$44,000 \$88,000 - \$176,000
Distribution (all sizes)	4 4,500 18,000 \$3.00 \$13,500 \$54,000 \$6.00 - \$9.00 \$27,000 - \$40,500 \$108,000 - \$162,000
Testing	1 1,500 1,500 \$2.00 \$3,000 \$3,000 \$4.00 - \$6.00 \$6,000 - \$9,000 \$6,000 - \$9,000
<b>Total Others</b>	<b>9</b> <b>107,500</b> <b>\$101,000</b> <b>\$101,000</b> <b>\$114,000 - \$171,000</b>

<b>TOTAL</b>	<b>100</b>	<b>702,150</b>	<b>\$3,659,000</b>	<b>\$5,983,000 - \$9,094,500</b>
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Scenario 3: More Large Cultivation					Baseline Fee			Public Benefit Contributions (range)		
License Type	Qty	Avg. SF	Total SF	Fee (\$/sf)	Individual Revenue	Total Revenue	Contribution Range (\$/sf)	Contribution per Business	Combined Revenue	
<b>Cultivation</b>										
Mixed-Light, <2,500 sf	5	2,000	10,000	\$2.00	\$4,000	\$20,000	\$4.00 - \$7.00	\$8,000 - \$14,000	\$40,000 - \$70,000	
Mixed-Light, 2,500-5,000 sf	5	4,000	20,000	\$2.50	\$10,000	\$50,000	\$4.00 - \$7.00	\$16,000 - \$28,000	\$80,000 - \$140,000	
Mixed-Light, 5,001-10,000 sf	10	8,000	80,000	\$3.00	\$24,000	\$240,000	\$4.00 - \$7.00	\$32,000 - \$56,000	\$320,000 - \$560,000	
Mixed-Light, 10,001-43,560 sf	15	22,000	330,000	\$3.50	\$77,000	\$1,155,000	\$4.00 - \$7.00	\$88,000 - \$154,000	\$1,320,000 - \$2,310,000	
Indoor, <2,500 sf	2	2,000	4,000	\$4.00	\$8,000	\$16,000	\$7.00 - \$10.00	\$14,000 - \$20,000	\$28,000 - \$40,000	
Indoor, 2,500-5,000 sf	3	4,000	12,000	\$4.50	\$18,000	\$54,000	\$7.00 - \$10.00	\$28,000 - \$40,000	\$84,000 - \$120,000	
Indoor, 5,001-10,000 sf	5	8,000	40,000	\$5.00	\$40,000	\$200,000	\$7.00 - \$10.00	\$56,000 - \$80,000	\$280,000 - \$400,000	
Indoor, 10,001-43,560 sf	5	22,000	110,000	\$5.50	\$121,000	\$605,000	\$7.00 - \$10.00	\$154,000 - \$220,000	\$770,000 - \$1,100,000	
<b>Total Cultivation:</b>	<b>50</b>		<b>606,000</b>			<b>\$2,340,000</b>			<b>\$2,922,000 - \$4,740,000</b>	

<b>Retail</b>									
Small <2,500 SF	10	1,650	16,500	\$16.00	\$26,400	\$264,000	\$32.00 - \$48.00	\$52,800 - \$79,200	\$528,000 - \$792,000
Medium 2,501-6,000 SF	5	4,250	21,250	\$18.00	\$76,500	\$382,500	\$36.00 - \$54.00	\$153,000 - \$229,500	\$765,000 - \$1,147,500
Large >6,000 SF	4	9,850	39,400	\$20.00	\$197,000	\$788,000	\$40.00 - \$60.00	\$394,000 - \$591,000	\$1,576,000 - \$2,364,000
<b>Total Retail:</b>	<b>19</b>		<b>77,150</b>			<b>\$1,434,500</b>			<b>\$2,869,000 - \$4,303,500</b>

<b>Manufacturing (6,7)</b>									
Small <3,000 SF	5	2,500	12,500	\$4.00	\$10,000	\$50,000	\$8.00 - \$12.00	\$20,000 - \$30,000	\$100,000 - \$150,000
Large >3,000 SF	5	5,000	25,000	\$4.50	\$22,500	\$112,500	\$9.00 - \$14.00	\$45,000 - \$70,000	\$225,000 - \$350,000
<b>Manufacturing (N, P, S)</b>									
Small <3,000 SF	8	2,500	20,000	\$3.00	\$7,500	\$60,000	\$6.00 - \$9.00	\$15,000 - \$22,500	\$120,000 - \$180,000
Large >3,000 SF	4	5,000	20,000	\$3.50	\$17,500	\$70,000	\$7.00 - \$10.00	\$35,000 - \$50,000	\$140,000 - \$200,000
<b>Total Manufacturing:</b>	<b>22</b>		<b>77,500</b>			<b>\$292,500</b>			<b>\$585,000 - \$890,000</b>

<b>Others</b>									
Nursery	4	22,000	88,000	\$0.50	\$11,000	\$44,000	\$1.00 - \$2.00	\$22,000 - \$44,000	\$88,000 - \$176,000
Distribution (all sizes)	4	4,500	18,000	\$3.00	\$13,500	\$54,000	\$6.00 - \$9.00	\$27,000 - \$40,500	\$108,000 - \$162,000
Testing	1	1,500	1,500	\$2.00	\$3,000	\$3,000	\$4.00 - \$6.00	\$6,000 - \$9,000	\$6,000 - \$9,000
<b>Total Others:</b>	<b>9</b>		<b>107,500</b>			<b>\$101,000</b>			<b>\$114,000 - \$371,000</b>

<b>TOTAL</b>	<b>100</b>		<b>868,150</b>			<b>\$4,163,000</b>			<b>\$5,490,000 - \$10,094,500</b>
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Scenario 4: Statewide Apportionment				Baseline Fee			Public Benefit Contributions (Range)		
License Type	Qty	Avg. SF	Total	Fee (\$/sf)	Individual Revenue	Total Revenue	Contribution Range (\$/sf)	Contribution per Business	Combined Revenue
<b>Cultivation</b>									
Mixed-Light, <2,500 sf	3	2,000	6,000	\$2.00	\$4,000	\$12,000	\$4.00 - \$7.00	\$8,000 - \$14,000	\$24,000 - \$42,000
Mixed-Light, 2,500-5,000 sf	5	4,000	20,000	\$2.50	\$10,000	\$50,000	\$4.00 - \$7.00	\$16,000 - \$28,000	\$80,000 - \$140,000
Mixed-Light, 5,001-10,000 sf	29	8,000	232,000	\$3.00	\$24,000	\$696,000	\$4.00 - \$7.00	\$32,000 - \$56,000	\$928,000 - \$1,624,000
Mixed-Light, 10,001-43,560 sf	3	22,000	66,000	\$3.50	\$77,000	\$231,000	\$4.00 - \$7.00	\$88,000 - \$154,000	\$264,000 - \$462,000
Indoor, <2,500 sf	1	2,000	2,000	\$4.00	\$8,000	\$8,000	\$7.00 - \$10.00	\$14,000 - \$20,000	\$14,000 - \$20,000
Indoor, 2,500-5,000 sf	4	4,000	16,000	\$4.50	\$18,000	\$72,000	\$7.00 - \$10.00	\$28,000 - \$40,000	\$112,000 - \$160,000
Indoor, 5,001-10,000 sf	4	8,000	32,000	\$5.00	\$40,000	\$160,000	\$7.00 - \$10.00	\$56,000 - \$80,000	\$224,000 - \$320,000
Indoor, 10,001-43,560 sf	1	22,000	22,000	\$5.50	\$121,000	\$121,000	\$7.00 - \$10.00	\$154,000 - \$220,000	\$154,000 - \$220,000
<b>Total Cultivation</b>	<b>50</b>		<b>396,000</b>			<b>\$1,350,000</b>			<b>\$1,800,000 - \$2,988,000</b>

<b>Retail</b>									
Small <2,500 SF	10	1,650	16,500	\$16.00	\$26,400	\$264,000	\$32.00 - \$48.00	\$52,800 - \$79,200	\$528,000 - \$792,000
Medium 2,501-6,000 SF	5	4,250	21,250	\$18.00	\$76,500	\$382,500	\$36.00 - \$54.00	\$153,000 - \$229,500	\$765,000 - \$1,147,500
Large >6,000 SF	* 4	9,850	39,400	\$20.00	\$197,000	\$788,000	\$40.00 - \$60.00	\$394,000 - \$591,000	\$1,576,000 - \$2,364,000
<b>Total Retail</b>	<b>19</b>		<b>77,150</b>			<b>\$1,434,500</b>			<b>\$2,869,000 - \$4,303,500</b>

<b>Manufacturing (6,7)</b>									
Small <3,000 SF	5	2,500	12,500	\$4.00	\$10,000	\$50,000	\$8.00 - \$12.00	\$20,000 - \$30,000	\$100,000 - \$150,000
Large >3,000 SF	5	5,000	25,000	\$4.50	\$22,500	\$112,500	\$9.00 - \$14.00	\$45,000 - \$70,000	\$225,000 - \$350,000
<b>Manufacturing (N, P, S)</b>									
Small <3,000 SF	8	2,500	20,000	\$3.00	\$7,500	\$60,000	\$6.00 - \$9.00	\$15,000 - \$22,500	\$120,000 - \$180,000
Large >3,000 SF	4	5,000	20,000	\$3.50	\$17,500	\$70,000	\$7.00 - \$10.00	\$35,000 - \$50,000	\$140,000 - \$200,000
<b>Total Manufacturing</b>	<b>22</b>		<b>77,500</b>			<b>\$292,500</b>			<b>\$585,000 - \$880,000</b>

<b>Others</b>									
Nursery	4	22,000	88,000	\$0.50	\$11,000	\$44,000	\$1.00 - \$2.00	\$22,000 - \$44,000	\$88,000 - \$176,000
Distribution (all sizes)	4	4,500	18,000	\$3.00	\$13,500	\$54,000	\$6.00 - \$9.00	\$27,000 - \$40,500	\$108,000 - \$162,000
Testing	1	1,500	1,500	\$2.00	\$3,000	\$3,000	\$4.00 - \$6.00	\$6,000 - \$9,000	\$6,000 - \$9,000
<b>Total Others</b>	<b>9</b>		<b>107,500</b>			<b>\$101,000</b>			<b>\$112,000 - \$171,000</b>

<b>TOTAL</b>	<b>100</b>		<b>658,150</b>			<b>\$3,178,000</b>			<b>\$5,368,000 - \$8,342,500</b>
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DEVELOPMENT AGREEMENT NO. XX

This Development Agreement (hereinafter "Agreement") is entered into effective on the date it is recorded with the Riverside County Recorder (hereinafter the "Effective Date") by and among the COUNTY OF RIVERSIDE (hereinafter "COUNTY"), and the persons and entities listed below (hereinafter "OWNER"):

[As required by Section 103 of the *Procedures and Requirements of the County of Riverside for the Consideration of Development Agreements*, all owners of fee simple title to all or any part of the real property which is the subject of a development agreement shall be necessary parties to the agreement. Also, any person having a legal or equitable interest in such real property who is reasonably necessary to ensure the full implementation and performance of the development agreement throughout its term shall be a necessary party. No hearing on a development agreement shall be held until and unless all necessary parties have agreed in writing to join in the application of the development agreement.]

RECITALS

WHEREAS, COUNTY is authorized to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property, pursuant to Article 11, Section 7 of the California Constitution and Section 65864,

et seq. of the Government Code; and,

WHEREAS, COUNTY has adopted Procedures and Requirements of the County of Riverside for the Consideration of Development Agreements (hereinafter "Procedures and Requirements"), pursuant to Section 65865 of the Government Code; and,

WHEREAS, OWNER has requested COUNTY to enter into a development agreement and proceedings have been taken in accordance with the Procedures and Requirements of COUNTY; and,

WHEREAS, by electing to enter into this Agreement, COUNTY shall bind future Boards of Supervisors of COUNTY by the obligations specified herein and limit the future exercise of certain governmental and proprietary powers of COUNTY; and,

WHEREAS, the terms and conditions of this Agreement have undergone extensive review by COUNTY and the Board of Supervisors and have been found to be fair, just and reasonable; and,

WHEREAS, the best interests of the citizens of Riverside County and the public health, safety and welfare will be served by entering into this Agreement; and,

WHEREAS, all of the procedures of the California Environmental Quality Act (Public Resources Code, Section 21000 et seq.) have been met with respect to the Project and

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the Agreement; and,

WHEREAS, this Agreement and the Project are consistent with the Riverside County General Plan and any specific plan applicable thereto; and,

WHEREAS, all actions taken and approvals given by COUNTY have been duly taken or approved in accordance with all applicable legal requirements for notice, public hearings, findings, votes, and other procedural matters; and,

WHEREAS, this Agreement will confer substantial private benefits on OWNER by granting vested rights to develop the Property in accordance with the provisions of this Agreement; and,

WHEREAS, OWNER proposes to develop the Property to be used for the Commercial Cannabis Activity described in Exhibit E (“the Development Plan”); and,

WHEREAS, Riverside County Ordinance 348.4898 (hereafter “Ordinance 348.4898”) establishes a regulatory permitting process for Commercial Cannabis Activities and prohibits all Commercial Cannabis Activities in all land use zones without the benefit of a land use permit issued by the COUNTY; and,

WHEREAS, Board of Supervisors Policy No. X-XX further sets forth provisions to be included in development agreements in order to implement applicable General Plan

provisions, to ensure that the County does not disproportionately bear the burden of commercial cannabis activities throughout the County, to ensure the County receives public benefits for the commercial cannabis activities, to ensure there are adequate resources available for enforcement of permitted and unpermitted commercial cannabis activities, and to give cannabis owners and property owners certainty as to the County's requirements; and,

WHEREAS, this Agreement complies with the provisions of both Ordinance No. 348.4898 and Board Policy X-XX; and,

WHEREAS, this Agreement will eliminate uncertainty in planning and provide for the orderly development of the Property, ensure progressive installation of necessary improvements, provide for public services appropriate to the development of the Project, and generally serve the purposes for which development agreements under Sections 65864, et seq. of the Government Code are intended; and,

WHEREAS, OWNER has incurred and will in the future incur substantial costs in order to assure development of the Property in accordance with this Agreement; and,

WHEREAS, OWNER has incurred and will in the future incur substantial costs in excess of the generally applicable requirements in order to assure vesting of legal rights to develop the Property in accordance with this Agreement.

#### COVENANTS

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NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. The following terms when used in this Agreement shall be defined as follows:

1.1.1 "Agreement" means this Development Agreement.

1.1.2 "Base Rate" means an amount equal to \$XX multiplied by the entire Cannabis Area, as defined by Board Policy XXX and which is payable to COUNTY annually pursuant to Subsections 4.2. 1 and 4.2.2 of this Agreement and increased annually by 2% from and after the date of this agreement.

1.1.3 "Commercial Cannabis Activity" means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of Cannabis and cannabis products as provided for in Ordinance No. 348, as amended through Ordinance No. 348.4898, and any other subsequently adopted zoning ordinance amendment or subsequently adopted zoning ordinance.

1.1.4 “Conditional Use Permit” means the land use permit required by COUNTY to conduct Commercial Cannabis Activities.

1.1.5 “COUNTY” means the County of Riverside, a political subdivision of the State of California.

1.1.6 “Development” means the improvement of the Property for the purposes of completing the structures, improvements and facilities comprising the Project including, but not limited to: grading; the construction of infrastructure and public facilities related to the Project whether located within or outside the Property; the construction or re-construction of buildings and structures; the tenant improvements of structures, and the installation of landscaping. When authorized by a Subsequent Development Approval as provided by this Agreement, “development” includes the maintenance, repair, reconstruction or redevelopment of any building, structure, improvement or facility after the construction and completion thereof.

1.1.7 “Development Approvals” means all permits and other entitlements for use subject to approval or issuance by COUNTY in connection with use of the Property and for development of the Property for Commercial Cannabis Activities including, but not limited to:

- (a) Conditional use permits, and site plans;

- (b) Zoning Amendments;
- (c) General Plan Amendments
- (d) Tentative and final subdivision and parcel maps;
- (e) Grading and building permits;
- (f) Any permits or entitlements necessary from the COUNTY;
- (g) Any easements necessary from COUNTY or any other land owner;
- (h) Specific plans and specific plan amendments;
- (i) Right of Entry agreements

1.1.8 "Development Exaction" means any requirement of the COUNTY in connection with or pursuant to any Land Use Regulation or Development Approval for the dedication of land, the construction of improvements or public facilities, or the payment of fees in order to lessen, offset, mitigate or compensate for the impacts of development on the environment or other public interests.

1.1.9 "Development Plan" means the Existing of Proposed Development Approvals and the Existing Land Use Regulations applicable to development of the Property.

1.1.10 "Effective Date" means the date this Agreement is recorded with the County Recorder.

1.1.11 “Existing Development Approvals” means all Development Approvals approved or issued prior to the Effective Date. Existing Development Approvals includes the Development Approvals incorporated herein as Exhibit “C” and all other Development Approvals which are a matter of public record on the Effective Date.

1.1.12 “Existing Land Use Regulations” means all Land Use Regulations in effect on the Effective Date. Existing Land Use Regulations includes the Land Use Regulations incorporated herein as Exhibit “D” and all other Land Use Regulations which are a matter of public record on the Effective Date.

1.1.13 “Land Use Regulations” means all ordinances, resolutions, codes, rules, regulations and official policies of COUNTY governing the development and use of land, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings and structures, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the property. “Land Use Regulations” does not include any COUNTY ordinance, resolution, code, rule, regulation or official policy, governing:

- (a) The conduct of businesses, professions, and occupations;
- (b) Taxes and assessments;



- (c) The control and abatement of nuisances;
- (d) The granting of encroachment permits and the conveyance of rights and interests which provide for the use of or the entry upon public property;
- (e) The exercise of the power of eminent domain.

1.1.15 "Mortgagee" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device lender, and their successors and assigns.

1.1.16 "OWNER" means the owner of the PROPERTY and the persons and entities listed as OWNER on the first page of this Agreement. OWNER shall also include any of the following:

1. A person with an aggregate ownership interest of 20 percent or more in the Commercial Cannabis Activity for which a license or permit is being sought, unless the interest is solely a security, lien, or encumbrance.
2. The chief executive officer of a nonprofit or other entity for the Commercial Cannabis Activity.
3. A member of the board of directors of a nonprofit for the Commercial Cannabis Activity.
4. An individual who will be participating in the direction, control, or management of the person applying for a Commercial Cannabis Activity Conditional Use Permit or State license."

1.1.17 "Project" means the development of the Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of this Agreement.

1.1.18 "Property" means the real property described on Exhibit "A" and shown on Exhibit "B" to this Agreement.

1.1.19 "Reservations of Authority" means the rights and authority excepted from the assurances and rights provided to OWNER under this Agreement and reserved to COUNTY under Section 3.6 of this Agreement.

1.1.20 "Subsequent Development Approvals" means all Development Approvals approved subsequent to the Effective Date in connection with development of the Property.

1.1.21 "Subsequent Land Use Regulations" means any Land Use Regulations adopted and effective after the Effective Date of this Agreement.

1.1.22 "Transfer" means sale, assignment, lease, sublease or any other transfer of a legal or equitable interest in the Property.

1.2 Exhibits. The following documents are attached to, and by this reference

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made a part of, this Agreement: *(Sample List)*

- Exhibit "A" - Legal Description of the Property
- Exhibit "B" - Map Showing Property and Its Location
- Exhibit "C" - Existing Development Approvals
- Exhibit "D" - Existing Land Use Regulations
- Exhibit "E" - Commercial Cannabis Activity Site Plan & Description
- Exhibit "F" - Applicable Annual Public Benefits Base Payments
- Exhibit "G" - Commercial Cannabis Area calculation exhibit.
- Exhibit "H" - Additional Public Benefits Exhibit

2. GENERAL PROVISIONS.

2.1 Binding Effect of Agreement. The Property is hereby made subject to this Agreement. Development of the Property is hereby authorized and shall be carried out only in accordance with the terms of this Agreement.

2.2 Ownership of Property. OWNER represents and covenants that it is the owner of a legal or equitable interest in the Property or a portion thereof.

2.3 Term. This Agreement shall commence on the Effective Date and shall continue for a period of ten years thereafter, unless this term is modified or extended for one additional five year term pursuant to the provisions of this Agreement and so long as the Project is in compliance with all applicable conditions of approval and County ordinances.

2.4 Transfer.

2.4.1 Right to Transfer. [Reserved]

2.4.2 Release of Transferring Owner. [Reserved]

2.4.3 Subsequent Transfer. [Reserved]

2.5 Amendment or Cancellation of Agreement. This Agreement may be amended or cancelled in whole or in part only by written consent of all parties in the manner provided for in Government Code Section 65868. This provision shall not limit any remedy of COUNTY or OWNER as provided by this Agreement.

2.6 Termination. This Agreement shall be deemed terminated and of no further effect upon the occurrence of any of the following events:

(a) Expiration of the stated term of this Agreement as set forth in Section 2.3.

(b) Entry of a final judgment by a court of competent jurisdiction setting aside, voiding or annulling the adoption of the ordinance approving this Agreement. For purposes of clarity this termination section excludes entry of a final judgment by a court of competent jurisdiction setting aside, voiding or annulling the adoption of Board of Supervisors' Policy No. X-XX.

(c) The adoption of a referendum measure overriding or repealing the ordinance approving this Agreement.

(d) OWNER's election to terminate this Agreement. If OWNER elects not to develop all or a portion of the Property as a Commercial Cannabis Activity,

OWNER shall provide notice of such election to the COUNTY, such notice by

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OWNER shall (i) seek to terminate this Agreement as to the portion of the Property that is the subject of such notice of termination; and (ii) shall acknowledge that the Conditional Use Permit (CUP No. XXXX) shall be null and void as to the Property that is the subject of such notice of termination. Following receipt of OWNER's notice of election to terminate this Agreement, OWNER and COUNTY shall execute an appropriate instrument in recordable form evidencing such termination, and shall cause such instrument to be an amendment to this Agreement to be processed in accordance with COUNTY's Procedures and Requirements for the Consideration of Development Agreements (Commercial Cannabis Activities)" set forth in Resolution No. 2019-037.

(e) When OWNER no longer has a legal or equitable interest in the Property or has ceased operations on the Property for a period of thirty (30) consecutive days.

(f) Federal Enforcement of the Federal Controlled Substances Act against OWNER or the COUNTY. The parties understand that cannabis is still classified as a Schedule I Drug under the Federal Controlled Substances Act, 21 U.S.C. §§ 801 et seq. In the event there is federal enforcement of the Federal Controlled Substances Act against the COUNTY for the COUNTY's enactment of a comprehensive, regulatory framework for commercial cannabis activities or against OWNER for OWNER's own commercial cannabis activities, this Agreement shall be deemed terminated and of no further effect.

(g) Revocation of a Commercial Cannabis Activity Conditional Use

Permit or State License.

Upon the termination of this Agreement, no party shall have any further right or obligation hereunder except with respect to any obligation to have been performed prior to such termination or with respect to any default in the performance of the provisions of this Agreement which has occurred prior to such termination or with respect to any obligations which are specifically set forth as surviving this Agreement.

2.7 Notices.

(a) As used in this Agreement, "notice" includes, but is not limited to, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, appointment or other communication required or permitted hereunder.

(b) All notices shall be in writing and shall be considered given either:

(i) when delivered in person to the recipient named below; (ii) on the date of delivery shown on the return receipt, after deposit in the United States mail in a sealed envelope as either registered or certified mail with return receipt requested, and postage and postal charges prepaid, and addressed to the recipient named below; (iii) on the next business day when delivered by overnight United States mail or courier service; or (iv) on the date of delivery shown in the facsimile records of the party sending the facsimile after transmission by facsimile to the recipient named below. All notices shall be addressed as follows:

Clerk of the Board of Supervisors  
Riverside County Administrative Center  
4080 Lemon Street, First Floor  
Riverside, CA 92502  
Fax No. (951) 955-1071

with copies to:

County Executive Officer  
Riverside County Administrative Center  
4080 Lemon Street, 4th Floor  
Riverside, CA 92501  
Fax No. (951) 955-1105

and

Assistant TLMA Director — Community Development  
Transportation and Land Management Agency  
Riverside County Administrative Center,  
4080 Lemon Street, 12th Floor  
Riverside, CA 92501



Fax No. (951) 955-1817

and

County Counsel

County of Riverside

3960 Orange Street, Suite 500

Riverside, CA 92501

Fax No. (951) 955-6363

If to OWNER:

(c) Either party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a party or an officer or representative of a party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by any such change.

3. DEVELOPMENT OF THE PROPERTY.

3.1 Rights to Develop. Subject to the terms of this Agreement including the

Reservations of Authority, OWNER shall have a vested right to develop the Property in accordance with, and to the extent of, the Development Plan. The Existing Development Approvals shall not expire and shall remain valid for the Term of this Agreement so long as the Project remains in compliance with all conditions of approval for the Existing Development Approvals and in compliance with this Agreement. The Project shall remain subject to all Subsequent Development Approvals required to complete the Project as contemplated by the Development Plan. Except as otherwise provided in this Agreement, the permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings and structures, and provisions for reservation and dedication of land for public purposes shall be those set forth in the Development Plan.

3.2 Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement including the Reservations of Authority, the rules, regulations and official policies governing permitted uses of the Property, the density and intensity of use of the Property, the maximum height and size of proposed buildings and structures, and the design, improvement and construction standards and specifications applicable to development of the Property shall be the Existing Land Use Regulations. In connection with any Subsequent Development Approval, COUNTY shall exercise its discretion in accordance with the Development Plan, and as provided by this Agreement including, but not limited to, the Reservations of Authority. COUNTY shall accept for processing, review and action all applications for Subsequent Development Approvals, and such applications shall be processed in the normal manner for processing such matters.

3.3 Timing of Development. The parties acknowledge that OWNER cannot at this time predict when or the rate at which phases of the Property will be developed. Such decisions depend upon numerous factors which are not within the control of OWNER, such as market orientation and demand, interest rates, absorption, completion and other similar factors. Since the California Supreme Court held in Pardee Construction Co. v. City of Camarillo (1984) 37 Cal.3d 465, that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the parties' intent to cure that deficiency by acknowledging and providing that OWNER shall have the right to develop the Property in such order and at such rate and at such times as OWNER deems appropriate within the exercise of its subjective business judgment.

3.4 Changes and Amendments. The parties acknowledge that refinement and further development of the Project will require Subsequent Development Approvals and may demonstrate that changes are appropriate and mutually desirable in the Existing Development Approvals. In the event OWNER finds that a change in the Existing Development Approvals is necessary or appropriate, OWNER shall apply for a Subsequent Development Approval to effectuate such change and COUNTY shall process and act on such application in accordance with the Existing Land Use Regulations, except as otherwise provided by this Agreement including the Reservations of Authority. If approved, any such change in the Existing Development Approvals shall be incorporated herein as an addendum to Exhibit "C", and may be further changed from time to time as provided in this Section. Unless otherwise required by law, as determined in COUNTY's reasonable discretion, a change to the Existing Development Approvals shall be deemed "minor"

and not require an amendment to this Agreement provided such change does not:

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(a) Alter the permitted uses of the Property as a whole; or,

(b) Increase the density or intensity of use of the Property as a whole;

or,

(c) Increase the maximum height and size of permitted buildings or structures;

or,

(d) Delete a requirement for the reservation or dedication of land for public purposes within the Property as a whole; or,

(e) Constitute a project requiring a subsequent or supplemental environmental impact report pursuant to Section 21166 of the Public Resources Code.

### 3.5 Reservations of Authority.

3.5.1 Limitations, Reservations and Exceptions. Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the development of the Property.

(a) Processing fees and charges of every kind and nature imposed by COUNTY to cover the estimated actual costs to COUNTY of processing applications for Development Approvals or for monitoring compliance with any Development Approvals granted or issued.

(b) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

(c) Regulations governing construction standards and specifications including, without limitation, the Building Code, Plumbing Code, Mechanical Code, Electrical Code, Fire Code and Grading Code applicable in the County.

(d) Regulations imposing Development Exactions. Development Exactions shall be applicable to development of the Property if such Development Exaction is applied uniformly to development, either throughout the COUNTY or within a defined area of benefit which includes the Property. No such subsequently adopted Development Exaction shall apply if its application to the Property would physically prevent development of the Property for the uses and to the density or intensity of development set forth in the Development Plan.

(e) Regulations which may be in conflict with the Development Plan but

which are reasonably necessary to protect the public health and safety. To the extent possible, any such regulations shall be applied and construed so as to provide OWNER with the rights and assurances provided under this Agreement.

(f) Regulations which are not in conflict with the Development Plan. Any regulation, whether adopted by initiative or otherwise, limiting the rate or timing of development of the Property shall be deemed to conflict with the Development Plan and shall therefore not be applicable to the development of the Property.

(g) Regulations which are in conflict with the Development Plan provided OWNER has given written consent to the application of such regulations to development of the Property.

3.5.2 Subsequent Development Approvals. This Agreement shall not prevent COUNTY, in acting on Subsequent Development Approvals, from applying Subsequent Land Use Regulations which do not conflict with the Development Plan, nor shall this Agreement prevent COUNTY from denying or conditionally approving any Subsequent Development Approval on the basis of the Existing Land Use Regulations or any Subsequent Land Use Regulation not in conflict with the Development Plan.

3.5.3 Modification or Suspension by State or Federal Law. In the event that State or Federal laws or regulations, enacted after the Effective Date of this Agreement, prevent

or preclude compliance with one or more of the provisions of this Agreement or require changes in plans, maps or permits approved by the COUNTY, such provisions of this Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations, provided, however, that this Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce.

3.5.4 Intent. The parties acknowledge and agree that COUNTY is restricted in its authority to limit its police power by contract and that the foregoing limitations, reservations and exceptions are intended to reserve to COUNTY all of its police power which cannot be so limited. This Agreement shall be construed, contrary to its stated terms if necessary, to reserve to COUNTY all such power and authority which cannot be restricted by contract.

3.5.5. Application of State and Local Regulatory Laws Governing Commercial Cannabis Activities. The operation of Commercial Cannabis Activities is a highly regulated business activity, and it is subject to various state and local laws and regulations. This Agreement does not, and the County cannot and does not intend to, give OWNER the right to continue its operations without complying with applicable state and local laws governing its operations. OWNER shall be responsible for obtaining, and maintaining throughout the entire term of this Agreement, all applicable state permits, approvals, and consents, even if the applicable state laws and regulations are altered following the

Effective Date.

3.6. Public Works. If OWNER is required by this Agreement to construct any public works facilities which will be dedicated to COUNTY or any other public agency upon completion, and if required by applicable laws to do so, OWNER shall perform such work in the same manner and subject to the same requirements as would be applicable to COUNTY or such other public agency if it would have undertaken such construction.

3.7 Provision of Real Property Interests by COUNTY. In any instance where OWNER is required to construct any public improvement on land not owned by OWNER, OWNER shall at its sole cost and expense provide or cause to be provided, the real property interests necessary for the construction of such public improvements. In the event OWNER is unable, after exercising reasonable efforts to acquire the real property interests necessary for the construction of such public improvements, and if so instructed by OWNER and upon OWNER'S provision of adequate security for costs COUNTY may reasonably incur, COUNTY shall negotiate the purchase of the necessary real property interests to allow OWNER to construct the public improvements as required by this Agreement and, if necessary, in accordance with the procedures established by law, use its power of eminent domain to acquire such required real property interests. OWNER shall pay all costs associated with such acquisition or condemnation proceedings. This Section 3.8 is not intended by the parties to impose upon the OWNER an enforceable duty to acquire land or construct any public improvements on land not owned by OWNER, except to the extent that the OWNER elects to proceed with the development of the Project, and then only in accordance with valid conditions imposed by the COUNTY upon the development of the Project under the

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Subdivision Map Act, Government Code Section 66410 et seq., or other legal authority.

3.8 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not within the control of COUNTY possess authority to regulate aspects of the development of the Property separately from or jointly with COUNTY and this Agreement does not limit the authority of such other public agencies. For example, pursuant to Government Code Section 66477 and Section 10.35 of Riverside County Ordinance No. 460, another local public agency may provide local park and recreation services and facilities and in that event, it is permitted, and therefore shall be permitted by the parties, to participate jointly with COUNTY to determine the location of land to be dedicated or in lieu fees to be paid for local park purposes, provided that COUNTY shall exercise its authority subject to the terms of this Agreement.

3.9 Tentative Tract Map Extension. Notwithstanding the provisions of Section 66452.6 of the Government Code, no tentative subdivision map or tentative parcel map, heretofore or hereafter approved in connection with development of the Property, shall be granted an extension of time except in accordance with the Existing Land Use Regulations.

3.10 Vesting Tentative Maps. If any tentative or final subdivision map, or tentative or final parcel map, heretofore or hereafter approved in connection with development of the Property, is a vesting map under the Subdivision Map Act (Government Code Section 66410, et seq.) and Riverside County Ordinance No. 460 and if this Agreement is determined by a final judgment to be invalid or unenforceable insofar as it grants a vested right to develop to OWNER, then and to that extent the rights and protections afforded OWNER under the laws and ordinances

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applicable to vesting maps shall supersede the provisions of this Agreement. Except as set forth immediately above, development of the Property shall occur only as provided in this Agreement, and the provisions in this Agreement shall be controlling over any conflicting provision of law or ordinance concerning vesting maps.

4. PUBLIC BENEFITS.

4.1 Intent. The parties acknowledge and agree that development of the Property will detrimentally affect public interests which will not be fully addressed by the Development Plan and further acknowledge and agree that this Agreement confers substantial private benefits on OWNER which should be balanced by commensurate public benefits. Accordingly, the parties intend to provide consideration to the public to balance the private benefits conferred on OWNER by providing more fully for the satisfaction of public interests.

4.2 Public Benefits for Commercial Cannabis Activities.

4.2.1 Annual Public Benefit Base Payments. Prior to the issuance of the first grading permit or the first building permit, whichever occurs first, for any part of the Commercial Cannabis Activity, OWNER shall pay to COUNTY an amount equal to the Base Payment calculated per Section X.XX of this Agreement; provided, however, that such initial annual base payment shall be prorated based on the number of whole months remaining between the date of payment and the first following September 30th.

4.2.2 Subsequent Annual Base Payments. The Annual Public Benefit Base Payments shall be subject to annual increases in an amount [To Be Determined].

4.3 Additional Public Benefits. OWNER shall perform Additional Public Benefits identified in Exhibit "H". Public Benefits shall be unique to Commercial cannabis Activity and benefit the community in which the Commercial Cannabis Activity is located.

4.4 Taxes. Nothing herein shall be construed to relieve OWNER from paying and remitting all applicable federal, state and local taxes applicable to the Project, including but not limited to, income taxes, property taxes, local sales and use taxes, and any taxes imposed on cannabis activities and cannabis products pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act.

4.5 Assessments. Nothing herein shall be construed to relieve the Property from assessments levied against it by the County pursuant to any statutory procedure for the assessment of property to pay for infrastructure and/or services which benefit the Property.

4.6 New Taxes. Any subsequently enacted County taxes, including but not limited to any taxes on commercial cannabis activities, shall apply to the Project. In the event that local taxes are enacted for commercial cannabis activities and cannabis products, the parties agree that this Agreement may be modified in accordance with Section 2.5.

4.7 Vote on Future Assessments and Fees. In the event that any assessment, fee or charge which is applicable to the Property is subject to Article XIID of the California Constitution

and OWNER does not return its ballot, OWNER agrees, on behalf of itself and its successors that the County may count OWNER's ballot as affirmatively voting in favor of such assessment, fee or charge.

5. FINANCING OF PUBLIC IMPROVEMENTS. If deemed appropriate, COUNTY and OWNER will cooperate in the formation of any special assessment district, community facilities district or alternate financing mechanism to pay for the construction and/or maintenance and operation of public infrastructure facilities required as part of the Development Plan. OWNER also agrees that it will not initiate and/or cooperate in the formation of any such special assessment district, community facilities district or alternate financing mechanism involving any other public agency without the prior written consent of the COUNTY.

Should the Property be included within such a special assessment district, community facilities district or other financing entity, the following provisions shall be applicable:

(a) In the event OWNER conveys any portion of the Property and/or public facilities constructed on any portion of the Property to COUNTY or any other public entity and said Property is subject to payment of taxes and/or assessments, such taxes and/or assessments shall be paid in full by OWNER prior to completion of any such conveyance.

(b) If OWNER is in default in the payment of any taxes and/or assessments, OWNER shall be considered to be in default of this Agreement and COUNTY may, in its sole discretion, initiate proceedings pursuant to Section 8.4 of this Agreement.

Notwithstanding the foregoing, it is acknowledged and agreed by the parties that nothing contained in this Agreement shall be construed as requiring COUNTY or the COUNTY Board of Supervisors to form any such district or to issue and sell bonds.

6. REVIEW FOR COMPLIANCE.

6.1 Annual Review. The TLMA Director, in consultation with the County Executive Officer and County Counsel, shall review this Agreement annually, on or before the Effective Date, in order to ascertain the good faith compliance by OWNER with the terms of the Agreement. In order to facilitate this review, OWNER shall submit an annual monitoring report, in a form specified by the TLMA Director providing all information necessary to evaluate such good faith compliance as determined by the TLMA Director. OWNER shall pay the annual review and administration fee set forth in Ordinance No. 671 prior to submission of each annual monitoring report. Prior to the issuance of any grading permit or building permit for any part of the Project, OWNER shall prepay a fee deposit in an amount equal to three times the annual review and administration fee set forth in Ordinance No. 671 (the "Monitoring Fee Prepayment"). The Monitoring Fee Prepayment shall be retained by the COUNTY until termination of this Agreement, may be used by the COUNTY at any time if there is a failure to pay any part of the annual monitoring and administration fees required under Ordinance No. 671, and shall be promptly replenished by OWNER up to the original required amount after notice by COUNTY to OWNER. Failure by OWNER to submit an annual monitoring report, on or before the

Effective Date of each year in the form specified by the TLMA Director, to pay any part of the

annual monitoring and administration fee required under Ordinance No. 671, to make the Monitoring Fee Prepayment or to replenish the Monitoring Fee Prepayment shall constitute a default by OWNER under this Agreement.

6.2 Special Review. The Board of Supervisors may order a special review of compliance with this Agreement at any time. The TLMA Director, in consultation with the County Executive Officer and County Counsel, shall conduct such special reviews.

6.3 Procedure.

(a) During either an annual review or a special review, OWNER shall be required to demonstrate good faith compliance with the terms of the Agreement. The burden of proof on this issue shall be on OWNER.

(b) Upon completion of an annual review or a special review, the TLMA Director shall submit a report to the Board of Supervisors setting forth the evidence concerning good faith compliance by OWNER with the terms of this Agreement and his recommended finding on that issue.

(c) If the Board finds on the basis of substantial evidence that OWNER has complied in good faith with the terms and conditions of this Agreement, the review shall be concluded.

(d) If the Board makes a preliminary finding that OWNER has not complied in good faith with the terms and conditions of this Agreement, the Board may modify or terminate this Agreement as provided in Section 6.4 and Section 6.5. Notice of default as provided under Section 8.4 of this Agreement shall be given to OWNER prior to or concurrent with, proceedings under Section 6.4 and Section 6.5.

6.4 Proceedings Upon Modification or Termination. If, upon a preliminary finding under Section 6.3, COUNTY determines to proceed with modification or termination of this Agreement, COUNTY shall give written notice to OWNER of its intention so to do. The notice shall be given at least ten calendar days prior to the scheduled hearing and shall contain:

- (a) The time and place of the hearing;
- (b) A statement as to whether or not COUNTY proposes to terminate or to modify the Agreement; and,
- (c) Such other information as is reasonably necessary to inform OWNER of the nature of the proceeding.

6.5 Hearing on Modification or Termination. At the time and place set for the hearing on modification or termination, OWNER shall be given an opportunity to be heard and shall be entitled to present written and oral evidence. OWNER shall be required to demonstrate good faith compliance with the terms and conditions of this Agreement. The burden of proof on this issue

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shall be on OWNER. If the Board of Supervisors finds, based upon substantial evidence, that OWNER has not complied in good faith with the terms or conditions of the Agreement, the Board may terminate this Agreement or modify this Agreement and impose such conditions as are reasonably necessary to protect the interests of the County. The decision of the Board of Supervisors shall be final, subject only to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

6.6 Certificate of Agreement Compliance. If, at the conclusion of an annual or special review, OWNER is found to be in compliance with this Agreement, COUNTY shall, upon request by OWNER, issue a Certificate of Agreement Compliance ("Certificate") to OWNER stating that after the most recent annual or special review and based upon the information known or made known to the TLMA Director and Board of Supervisors that (1) this Agreement remains in effect and (2) OWNER is not in default. The Certificate shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance, shall state whether the Certificate is issued after an annual or a special review and shall state the anticipated date of commencement of the next annual review. OWNER may record the Certificate with the County Recorder. Whether or not the Certificate is relied upon by transferees or OWNER, COUNTY shall not be bound by a Certificate if a default existed at the time of the Periodic or Special Review, but was concealed from or otherwise not known to the TLMA Director or Board of Supervisors.

## 7. INCORPORATION AND ANNEXATION.



7.1 Intent. If all or any portion of the Property is annexed to or otherwise becomes a part of a city or another county, it is the intent of the parties that this Agreement shall survive and be binding upon such other jurisdiction.

7.2 Incorporation. If at any time during the term of this Agreement, a city is incorporated comprising all or any portion of the Property, the validity and effect of this Agreement shall be governed by Section 65865.3 of the Government Code.

7.3 Annexation. OWNER and COUNTY shall oppose, in accordance with the procedures provided by law, the annexation to any city of all or any portion of the Property unless both OWNER and COUNTY give written consent to such annexation.

8. DEFAULT AND REMEDIES.

8.1 Remedies in General. It is acknowledged by the parties that COUNTY would not have entered into this Agreement if it were to be liable in damages under this Agreement, or with respect to this Agreement or the application thereof.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that COUNTY shall not be liable in damages to OWNER, or to any successor in interest of OWNER, or to any other person, and OWNER

covenants not to sue for damages or claim any damages:

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(a) For any breach of this Agreement or for any cause of action which arises out of this Agreement; or

(b) For the taking, impairment or restriction of any right or interest conveyed or provided under or pursuant to this Agreement; or

(c) Arising out of or connected with any dispute, controversy or issue regarding the application, validity, interpretation or effect of the provisions of this Agreement.

Notwithstanding anything in this Article 8 to the contrary, OWNER's liability to COUNTY in connection with this Agreement shall be limited to direct damages and shall exclude any other liability, including without limitation liability for special, indirect, punitive or consequential damages in contract, tort, warranty, strict liability or otherwise.

8.2 Specific Performance. The parties acknowledge that money damages and remedies at law generally are inadequate and specific performance and other non-monetary relief are particularly appropriate remedies for the enforcement of this Agreement and should be available to all parties for the following reasons:

(a) Money damages are unavailable against COUNTY as provided in Section 8.1 above.

(b) Due to the size, nature and scope of the project, it may not be practical or possible to restore the Property to its natural condition once implementation of this Agreement has begun. After such implementation, OWNER may be foreclosed from other choices it may have had to utilize the Property or portions thereof. OWNER has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the terms of this Agreement and will be investing even more significant time and resources in implementing the Project in reliance upon the terms of this Agreement, and it is not possible to determine the sum of money which would adequately compensate OWNER for such efforts.

8.3 General Release. Except for non-damage remedies, including the remedy of specific performance and judicial review as provided for Section 6.5, OWNER, for itself, its successors and assignees, hereby releases the COUNTY, its officers, agents, employees, and independent contractors from any and all claims, demands, actions, or suits of any kind or nature whatsoever arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other law or ordinance which seeks to impose any other monetary liability or damages, whatsoever, upon the COUNTY because it entered into this Agreement or because of the terms of this Agreement. OWNER hereby waives the provisions of Section 1542 of the Civil Code which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME

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OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE A MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

\_\_\_\_\_  
OWNER Initials

\_\_\_\_\_  
OWNER Initials

\_\_\_\_\_  
OWNER Initials

8.4 Termination or Modification of Agreement for Default of OWNER. Subject to the provisions contained in Subsection 6.5 herein, COUNTY may terminate or modify this Agreement for any failure of OWNER to perform any material duty or obligation of OWNER under this Agreement, or to comply in good faith with the terms of this Agreement (hereinafter referred to as “default”); provided, however, COUNTY may terminate or modify this Agreement pursuant to this Section only after providing written notice to OWNER of default setting forth the nature of the default and the actions, if any, required by OWNER to cure such default and, where the default can be cured, OWNER has failed to take such actions and cure such default within 60 days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

8.5 Termination of Agreement for Default of COUNTY. OWNER may terminate this Agreement only in the event of a default by COUNTY in the performance of a material term of this Agreement and only after providing written notice to COUNTY of default setting forth the nature of the default and the actions, if any, required by COUNTY to cure such default and, where the default can be cured, COUNTY has failed to take such actions and cure such default within 60

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days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

8.6 Attorneys' Fees. In any action at law or in equity to enforce or interpret this Agreement, or otherwise arising out of this Agreement, including without limitation any action for declaratory relief or petition for writ of mandate, the parties shall bear their own attorneys' fees.

## 9. THIRD PARTY LITIGATION

9.1 General Plan Litigation. COUNTY has determined that this Agreement is consistent with its General Plan, and that the General Plan meets all requirements of law. OWNER has reviewed the General Plan and concurs with COUNTY's determination. The parties acknowledge that:

(a) Litigation may be filed challenging the legality, validity and adequacy of the General Plan; and,

(b) If successful, such challenges could delay or prevent the performance of this Agreement and the development of the Property.

COUNTY shall have no liability in damages under this Agreement for any failure of

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COUNTY to perform under this Agreement or the inability of OWNER to develop the Property as contemplated by the Development Plan of this Agreement as the result of a judicial determination that on the Effective Date, or at any time thereafter, the General Plan, or portions thereof, are invalid or inadequate or not in compliance with law.

9.2 Third Party Litigation Concerning Agreement. OWNER shall defend, at its expense, including attorneys' fees, indemnify, and hold harmless COUNTY, its officers, agents, employees and independent contractors from any claim, action or proceeding against COUNTY, its officers, agents, employees or independent contractors to attack, set aside, void, or annul the approval of this Agreement or the approval of any permit granted pursuant to this Agreement. COUNTY shall promptly notify OWNER of any such claim, action or proceeding, and COUNTY shall cooperate in the defense. If COUNTY fails to promptly notify OWNER of any such claim, action or proceeding, or if COUNTY fails to cooperate in the defense, OWNER shall not thereafter be responsible to defend, indemnify, or hold harmless COUNTY. COUNTY may in its discretion participate in the defense of any such claim, action or proceeding.

9.3 Indemnity. In addition to the provisions of 9.2 above, OWNER shall indemnify and hold COUNTY, its officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of OWNER, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (OWNER's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from the activities contemplated hereunder, including, but not limited to, the study, design, engineering, construction, completion,

failure and conveyance of the public improvements, save and except claims for damages arising through the sole active negligence or sole willful misconduct of COUNTY. OWNER shall defend, at its expense, including attorneys' fees, COUNTY, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions. COUNTY may in its discretion participate in the defense of any such legal action.

9.4 Environment Assurances. OWNER shall indemnify and hold COUNTY, its officers, agents, employees and independent contractors free and harmless from any liability, based or asserted, upon any act or omission of OWNER, its officers, agents, employees, subcontractors, predecessors in interest, successors, assigns and independent contractors for any violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to environmental conditions on, under or about the Property, including, but not limited to, soil and groundwater conditions, and OWNER shall defend, at its expense, including attorneys' fees, COUNTY, its officers, agents, employees and independent contractors in any action based or asserted upon any such alleged act or omission. COUNTY may in its discretion participate in the defense of any such action.

9.5 Reservation of Rights. With respect to Sections 9.2, 9.3 and 9.4 herein, COUNTY reserves the right to either (1) approve the attorney(s) which OWNER selects, hires or otherwise engages to defend COUNTY hereunder, which approval shall not be unreasonably withheld, or (2) conduct its own defense, provided, however, that OWNER shall reimburse COUNTY forthwith for any and all reasonable expenses incurred for such defense, including attorneys' fees, upon billing and accounting therefor.

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9.6 Survival. The provisions of Sections 8. I through 8.3, inclusive, Section 8.6 and Sections 9. I through 9.6, inclusive, shall survive the termination of this Agreement.

10. MORTGAGEE PROTECTION.

The parties hereto agree that this Agreement shall not prevent or limit OWNER, in any manner, at OWNER's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property. COUNTY acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with OWNER and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. COUNTY will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which Mortgagee, has submitted a request in writing to the COUNTY in the manner

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specified herein for giving notices, shall be entitled to receive written notification from COUNTY of any default by OWNER in the performance of OWNER's obligations under this Agreement.

(c) If COUNTY timely receives a request from a Mortgagee requesting a copy of any notice of default given to OWNER under the terms of this Agreement, COUNTY shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to OWNER. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Agreement.

(d) Any Mortgagee who comes into possession of the Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property, or part thereof, subject to the terms of this Agreement. No Mortgagee (including one who acquires title or possession to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, lease termination, eviction or otherwise) shall have any obligation to construct or complete construction of improvements, or to guarantee such construction or completion; provided, however, that a Mortgagee shall not be entitled to devote the Property to solar power plant use except in full compliance with this Agreement. A Mortgagee in possession shall not have an obligation or duty under this Agreement to perform any of OWNER's obligations or other affirmative covenants of OWNER hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by OWNER is a condition precedent to the performance of a covenant by COUNTY, the performance thereof shall continue to be a condition precedent to COUNTY's performance hereunder. All payments

called for under Section 4 of this Agreement shall be a condition precedent to COUNTY's

performance under this Agreement. Any transfer by any Mortgagee in possession shall be subject to the provisions of Section 2.4 of this Agreement.

11. MISCELLANEOUS PROVISIONS.

11.1 Recordation of Agreement. This Agreement and any amendment, modification, termination or cancellation thereof shall be recorded with the County Recorder by the Clerk of the Board of Supervisors within the period required by Section 65868.5 of the Government Code.

11.2 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

11.3 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement. Notwithstanding the foregoing, the provision of the Public Benefits set forth in Sections 4.2 and 4.3 of this Agreement, including the payments set forth therein, are essential elements of this Agreement and COUNTY would not have entered into this Agreement but for such provisions, and therefore in the event such provisions are determined

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to be invalid, void or unenforceable, this entire Agreement shall be null and void and of no force and effect whatsoever.

11.4 Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

11.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

11.6 Gender and Number. As used herein, the neuter gender includes the masculine and feminine, the feminine gender includes the masculine, and the masculine gender includes the feminine. As used herein, the singular of any word includes the plural.

11.7 Joint and Several Obligations. If this Agreement is signed by more than one OWNER, all obligations of such OWNERS under this Agreement shall be joint and several, and the default of any such OWNER shall be the default of all such OWNERS.

11.8 Time of Essence. Time is of the essence in the performance of the provisions of this

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Agreement as to which time is an element.

11.9 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party; shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

11.10 No Third Party Beneficiaries. Unless expressly stated herein, this Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

11.11 Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by floods, earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control, (including the party's employment force). If any such events shall occur, the term of this Agreement and the time for performance by either party of any of its obligations hereunder may be extended by the written agreement of the parties for the period of time that such events prevented such performance, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years.

11.12 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

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11.13 Successors in Interest. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties to this Agreement. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the Property: (a) is for the benefit of and is a burden upon every portion of the Property; (b) runs with the Property and each portion thereof; and, (c) is binding upon each party and each successor in interest during ownership of the Property or any portion thereof.

11.14 Counterparts. This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

11.15 Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Riverside Historic Courthouse of the Superior Court of the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

11.16 Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an

independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between COUNTY and OWNER is that of a government entity regulating the development of private property and the owner of such property.

11.17 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgement or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

11.18 Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by COUNTY of its power of eminent domain. As used herein, "Material Condemnation" means a condemnation of all or a portion of the Property that will have the effect of preventing development of the Project in accordance with this Agreement. In the event of a Material Condemnation, OWNER may (i) request the COUNTY to amend this Agreement and/or to amend the Development Plan, which amendment shall not be unreasonably withheld, (ii) decide, in its sole discretion, to challenge the condemnation, or (iii) request that COUNTY agree to terminate this Agreement by mutual agreement, which agreement shall not be unreasonably withheld, by giving a written request for termination to the COUNTY.

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11.19 Agent for Service of Process. In the event OWNER is not a resident of the State of California or it is an association, partnership or joint venture without a member, partner or joint venturer resident of the State of California, or it is a foreign corporation, then in any such event, OWNER shall file with the TLMA Director, upon its execution of this Agreement, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Agreement, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon OWNER. If for any reason service of such process upon such agent is not feasible, then in such event OWNER may be personally served with such process out of this County and such service shall constitute valid service upon OWNER. OWNER is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto. OWNER for itself, assigns and successors hereby waives the provisions of the Hague Convention (Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil or Commercial Matters, 20 U.S.T. 361, T.I.A.S. No. 6638).

11.20 Designation of COUNTY Officials. Except for functions to be performed by the Board of Supervisors, COUNTY may, at any time and in its sole discretion, substitute any COUNTY official to perform any function identified in this Agreement as the designated responsibility of any other official. COUNTY shall provide notice of such substitution pursuant to Section 2.7; provided, however, the failure to give such notice shall not affect the authority of the substitute official in any way.

11.21 Authority to Execute. The person executing this Agreement on behalf of OWNER warrants and represents that he has the authority to execute this Agreement on behalf of his corporation, partnership or business entity and warrants and represents that he has the authority to bind OWNER to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set forth below.

COUNTY OF RIVERSIDE, a political subdivision of  
the State of California

Dated: \_\_\_\_\_

By \_\_\_\_\_  
[Insert Chairman's Name]  
Chairman, Board of Supervisors

ATTEST:

KECIA HARPER-IHEM  
Clerk of the Board

By \_\_\_\_\_  
Deputy  
(SEAL)



OWNER:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_

SAMPLE

(ALL SIGNATURES SHALL BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

EXECUTION ON BEHALF OF ANY CORPORATION SHALL BE BY TWO CORPORATE OFFICERS.)

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**SAMPLE**

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

*(This exhibit will consist of the legal description of the subject property, as described on a provided current (no more than 30 days old) Title Report)*

SAMPLE

EXHIBIT "B"

MAP OF PROPERTY AND ITS LOCATION

*(This Exhibit will indicate the property's legal (metes and bounds, if required) boundary  
and its location)*

SAMPLE

EXHIBIT "C"

EXISTING DEVELOPMENT APPROVALS

*(This exhibit will list all existing Development Approvals of the subject property)*

SPECIFIC PLAN

ZONING

LAND DIVISIONS

OTHER DEVELOPMENT APPROVALS

The development approvals listed above include the approved maps and all conditions of approval.

COPIES OF THE EXISTING DEVELOPMENT APPROVALS LISTED ABOVE ARE ON FILE IN THE RIVERSIDE COUNTY PLANNING DEPARTMENT AND ARE INCORPORATED HEREIN BY REFERENCE.

EXHIBIT "D"

EXISTING LAND USE REGULATIONS

1. Riverside County Comprehensive General Plan as amended through Resolution No. \_\_\_\_\_
2. Ordinance No. 348 as amended through Ordinance No. 348. \_\_\_\_\_
3. Ordinance No. 448 as amended through Ordinance No. 448. \_\_\_\_\_
4. Ordinance No. 457 as amended through Ordinance No. 457. \_\_\_\_\_
5. Ordinance No. 458 as amended through Ordinance No. 458. \_\_\_\_\_
6. Ordinance No. 460 as amended through Ordinance No. 460. \_\_\_\_\_
7. Ordinance No. 461 as amended through Ordinance No. 461. \_\_\_\_\_
8. Ordinance No. 509 as amended through Ordinance No. 509. \_\_\_\_\_
9. Ordinance No. 547 as amended through Ordinance No. 547. \_\_\_\_\_
10. Ordinance No. 555 as amended through Ordinance No. 555. \_\_\_\_\_
11. Ordinance No. 617 as amended through Ordinance No. 617. \_\_\_\_\_
12. Ordinance No. 650 as amended through Ordinance No. 650. \_\_\_\_\_
13. Ordinance No. 659 as amended through Ordinance No. 659. \_\_\_\_\_
14. Ordinance No. 663 as amended through Ordinance No. 663. \_\_\_\_\_
15. Ordinance No. 671 as amended through Ordinance No. \_\_\_\_\_

671. \_\_\_
16. Ordinance No. 673 as amended through Ordinance No. 673. \_\_\_
  17. Ordinance No. 679 as amended through Ordinance No. 679. \_\_\_
  18. Ordinance No. 682 as amended through Ordinance No. 682. \_\_\_
  19. Ordinance No. 726. \_\_\_
  20. Ordinance No. 743 as amended through Ordinance No. 743. \_\_\_
  21. Ordinance No. 748 as amended through Ordinance No. 748. \_\_\_
  22. Ordinance No. 749 as amended through Ordinance No. 749. \_\_\_
  23. Ordinance No. 752 as amended through Ordinance No. 752. \_\_\_
  24. Ordinance No. 754 as amended through Ordinance No. 754. \_\_\_
  25. Ordinance No. 787 as amended through Ordinance No. 787. \_\_\_
  26. Ordinance No. 806. \_\_\_
  27. Ordinance No. 810 as amended through Ordinance No. 810. \_\_\_
  28. Ordinance No. 817. \_\_\_
  29. Ordinance No. 824 as amended through Ordinance No. 824. \_\_\_
  30. Ordinance No. 847 as amended through Ordinance No. 847. \_\_\_
  31. Ordinance No. 859 as amended through Ordinance No. 859. \_\_\_
  32. Ordinance No. 875. \_\_\_
  33. Resolution No. 20XX-XXX Establishing Procedures and Requirements of the County of Riverside for the Consideration of Development Agreements (Commercial Cannabis Activities)
  34. Board of Supervisors Policy No. X-XX Commercial Cannabis Activities

COPIES OF THE EXISTING LAND USE REGULATIONS LISTED ABOVE ARE ON  
FILE IN THE RIVERSIDE COUNTY PLANNING DEPARTMENT AND ARE  
INCORPORATED HEREIN BY REFERENCE.

**SAMPLE**



EXHIBIT "E"

COMMERCIAL CANNABIS ACTIVITY SITE PLAN & DESCRIPTION

*(This exhibit will show the Commercial Cannabis Activity as approved and a description of  
the activity)*

SAMPLE

EXHIBIT "F"

APPLICABLE PUBLIC BASE BENEFITS PAYMENTS

*(This exhibit will indicate the applicable Public Benefits Base Payments)*

SAMPLE

EXHIBIT "G"

COMMERCIAL CANNABIS AREA CALCULATION EXHIBIT

*(This exhibit will indicate the area(s) used for calculations of Annual Public Benefit Base  
Payments)*

SAMPLE

EXHIBIT "H"

COMMERCIAL CANNABIS ACTIVITY PUBLIC BENEFIT

*(This exhibit will describe the Commercial Cannabis Activity's Public Benefit)*

SAMPLE



RIVERSIDE COUNTY TRANSPORTATION &  
LAND MANAGEMENT AGENCY  
PLANNING DEPARTMENT



**REQUEST FOR PROPOSALS**  
For  
**COMMERCIAL CANNABIS RETAILERS**

*January 29, 2019*

Five (5) Copies of  
Response to the Request for Proposals &  
1 (one) electronic PDF,

**Due By:**

By April 12, 2019 at 4:00 p.m.  
At 4080 Lemon Street, 9<sup>th</sup> Floor  
Riverside, CA 92501

Responses must be hand delivered with appropriate payment

RIVERSIDE COUNTY TRANSPORTATION &  
LAND MANAGEMENT AGENCY  
PLANNING DEPARTMENT  
REQUEST FOR PROPOSAL

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## **I. PERMIT CONSIDERATION IMPLEMENTATION PROCESS**

### **A. INTENT**

Thank you for your interest in submitting a Response to the County's Request for Proposals for Commercial Cannabis Retail Sales. This indicates your desire to apply for a Riverside County Cannabis Retailer Conditional Use Permit ("Permit") pursuant to Section 19.518 of Riverside County Ordinance No. 348 (Ordinance).

This Request for Proposals ("RFP") outlines the process for consideration of a land use permit through selection of the Interested Parties who will be first to process a Conditional Use Permit (CUP) for Cannabis Retail Sales. The County intends to allow 19 Interested Parties whose responses conform to the RFP, meet the County's requirements, and are ranked highest in the competitive selection process described below to pursue a CUP through the County's normal entitlement process.

The successful highest ranked 19 Retailer Proposers, including Microbusinesses that include a Retail component, will be eligible to submit a land use application for a Cannabis CUP. The Cannabis CUP application is subject to; the California Environmental Quality Act (CEQA) review and determination, public hearings before the County Planning Commission and the Board of Supervisors, Conditions of Approval and the applicant(s) must enter into a Development Agreement with the County.

**A Conditional Use Permit (CUP) must be obtained prior to commencement of operation as a Cannabis Retailer.**

For the purposes of the Request for Proposal the following terms shall have the following meanings:

<b>RFP</b> means Request for Proposal
<b>Cannabis</b> means Commercial Cannabis
<b>Retail Sales</b> means a Commercial Cannabis Retailer, the retail sales of Commercial Cannabis or Cannabis products, including Commercial Cannabis Microbusinesses that include retail sales
<b>CUP</b> means Conditional Use Permit, the required land use permit for operating a Commercial Cannabis activity in the unincorporated areas of the County of Riverside
<b>DA</b> means Development Agreement, required for operating a Commercial Cannabis activity in the unincorporated areas of the County of Riverside
<b>County</b> means the County of Riverside
<b>Microbusiness</b> means Commercial Cannabis Microbusinesses
<b>Delivery</b> means the delivery of Commercial Cannabis

<b>Distribution</b> means Commercial Cannabis Distribution
<b>Manufacturing</b> means Commercial Cannabis Manufacturing
<b>Cultivation</b> means Commercial Cannabis Cultivation
<b>Cannabis Owner</b> means any of the following: <ol style="list-style-type: none"><li>1. A person with an aggregate ownership interest of 20 percent or more in the Commercial Cannabis Activity for which a license or permit is being sought, unless the interest is solely a security, lien, or encumbrance.</li><li>2. The chief executive officer of a nonprofit or other entity.</li><li>3. A member of the board of directors of a nonprofit.</li><li>4. An individual who will be participating in the direction, control, or management of the person applying for a Commercial Cannabis Activity Conditional Use Permit or State license.</li></ol>
<b>Commercial Cannabis Activity</b> means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of Cannabis and cannabis products as provided for in Ordinance No. 348, as amended through Ordinance No. 348.4898, and any other subsequently adopted zoning ordinance amendment or subsequently adopted zoning ordinance.
<b>Property Owner</b> means all owners to all or any portion of the property that is subject to the development agreement for the commercial cannabis activity. Also, any person having legal or equitable interest in such real property who is reasonably necessary to ensure the full implementation and performance of the development agreement throughout its term shall be considered a property owner for purposes of this policy and the development agreement.

The County of Riverside (County) has implemented a one-year implementation process that will ramp-up the number of cannabis activities permitted throughout the unincorporated area of the County. For the initial year of the Commercial Cannabis Program the County seeks to issue a limited number of permits for Commercial Cannabis Retailers (Retailers) through a Request for Proposals (RFP) process. Retailers could include Commercial Cannabis Microbusinesses (Microbusiness) if retail sales is included as one of the required three cannabis activities. The one-year Request for Proposal (RFP) process will result in the top 19 ranked Proposals securing eligibility to apply for a Commercial Cannabis Retailer Conditional Use Permit (CUP). The successful Proposers will have an opportunity to apply for CUP once the Proposal process has concluded.

Retailer CUP's may include other permitted activities, including Commercial Cannabis Distribution (Distribution), Commercial Cannabis Manufacturing (Manufacturing), Commercial Cannabis Delivery (Delivery) and with a Microbusiness Proposal, Commercial Cannabis Cultivation (Cultivation).