

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



ITEM: 3.24
(ID # 27013)

MEETING DATE:
Tuesday, February 04, 2025

FROM : TLMA-PLANNING

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/PLANNING: Receive and File the Cannabis program Development Agreement annual review report, Initiate Revision of Board of Supervisor's Policy B-9 (Commercial Cannabis Activities), and Direct Staff to Conduct a Comparative Analysis of Cannabis Community Benefit Fee Rates and provide community benefit rate change recommendations. All Districts. [\$40,000 Total Cost - Department Budget 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) **RECEIVE AND FILE** the Cannabis Program Development Agreement Annual Review Report;
- 2) In accordance with Government Code section 65865.1, find on the basis of substantial evidence that each of the following cannabis operators, identified by the Development Agreement number, are in good faith compliance with their Development Agreement terms and have cured any non-compliance issues, as documented in the attached Annual Review Report; and,
- 3) **INITIATE** a revision to the Board of Supervisor's Policy B-9 (Commercial Cannabis Activities), and Direct the Planning Department and County Counsel to Conduct a Comparative Analysis of Cannabis Community Benefit Fee Rates, and Provide the Board of Supervisors with recommendations for Revision of the Board of Supervisor's Policy B-9 community benefit fee rate structure.

ACTION:Policy


John Hildebrand, Planning Director 1/29/2025

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: February 4, 2025
xc: TLMA-Planning

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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STATE OF CALIFORNIA**

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|--|-----------------------------|--------------------------|-------------------------------|---------------------|
| COST | \$40,000 | \$0 | \$40,000 | \$0 |
| NET COUNTY COST | \$0 | \$0 | \$0 | \$0 |
| SOURCE OF FUNDS: Department Budget 100% | | | Budget Adjustment: N/A | |
| | | | For Fiscal Year: 24/25 | |

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Cannabis Development Agreement Compliance Reporting

On October 23, 2018 (Agenda Item 19.1), the Riverside County Board of Supervisors amended Ordinance No. 348 (Land Use), establishing the framework for permitting and operations of cannabis facilities. Pursuant to Government Code 65865.1, at least every 12 months, the County must review and evaluate the efforts of unincorporated area Cannabis facilities at demonstrating good faith compliance with the terms of their respective developer agreements.

At the time of drafting this report, Riverside County has approved **26** separate Cannabis Conditional Use Permits and accompanying Development Agreements, with **13** currently in operation (Countywide). Included as attachments to this report are the annual compliance reports from each of the approved facilities, along with a summarization of the annual baseline and secondary community benefit fees that have been collected.

Board of Supervisor's Policy B-9 (Commercial Cannabis Activities) Initiation

Upon approval of the County's Cannabis Ordinance, which set forth the permitting, development standards, and operating requirements for all Cannabis facilities throughout the County, Board of Supervisors Policy B-9 (Commercial Cannabis Activities) was concurrently approved and implemented. The Policy establishes a baseline community benefit fee, which is a fixed rate, based upon square footage of the retail floor area and cultivation areas. A secondary community benefit fee is also included, which is negotiated on a case-by-case basis. Generally, these funds are due to the County annually at the start of the following fiscal year; however, in some cases, operators have entered into monthly or quarterly payment plans with the County. Community benefit fee funds are intended to be used for a combination of enforcement, inspections, and community enhancements.

Existing cannabis operators have expressed concerns that the County's community benefit fee rate structure is too high and not competitive with other surrounding jurisdictions. They also purport that expected sales revenues are not at the levels they anticipated, due to increased competition from surrounding Cities (of which many now also allow cannabis operations), and increasingly higher permitting and operational costs within the industry as a whole. As a result, today's item also includes an initiation request to comprehensively

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STATE OF CALIFORNIA**

review the County's Cannabis Community Benefit fees, as outlined within Board of Supervisors' Policy B-9 (Commercial Cannabis Activities). Staff will conduct a comparative analysis against surrounding jurisdictions that allow Cannabis operations, to determine where the County's fees lie in relationship. From this analysis, staff will return at a subsequent Board meeting date to provide recommendations to the Board of Supervisors for community benefit rate structure changes, to ensure the County remains competitive and equitable to our businesses.

Cannabis Facilities

The following is a summary of the approved Cannabis Development Agreements and applicant / ownership information, along with their operating status, sorted by Supervisorial District.

First District:

- 1) **DA2000011** - Recorded on: 04/16/21 - Applicant: HHI Riverside, L.L.C.; Sean St. Peter; Tara St. Peter - Status: **Not Open**
- 2) **DA1900036** - Recorded on: 10/01/21 - Applicant: The Castle Riverside, LLC; Gabriel Guzman; Joseph Pitruzzello & Frances Ilene Pitruzzello, Trustees of the Joseph Pitruzzello & Frances Ilene Pitruzzello Trust - Status: **Open**
- 3) **DA1900004** - Recorded on: 03/02/20 - Applicant: 4EG Services, L.L.C. and The Artist Tree IVA, L.L.C. - Status: **Open**
- 4) **DA2000006** - Recorded on: 05/27/21 - Applicant: La Cadena Drive, LLC; Sean St. Peter; Tara St. Peter - Status: **Open**
- 5) **DA1900009** - Recorded on: 06/03/21 - Applicant: 23215 Temescal Canyon, LLC, River Releaf, LLC - Status: **Not Open**
- 6) **DA2000002** - Recorded on: 01/14/21 - Applicant: Greentek Investments, LLC; Excel Riverside, Inc. - Status: **Open**

Second District:

- 1) **DA1900024** - Recorded on: 11/30/21 - Applicant: Nibble This - Lake Elsinore, LLC; Lakeland Plaza, LLC; Elliot Lewis - Status: **Not Open**
- 2) **DA1900008** - Recorded on: 06/03/21 - Applicant: Michael Lee; 15573 Grand LLC - Status: **Not Open**
- 3) **DA1900044** - Recorded on: 04/15/21 - Applicant: 23215 Temescal Canyon, LLC; River Releaf, LLC - Status: **Open**
- 4) **DA1900011** - Recorded on: 06/03/21 - Applicant: Coronita Helping Hands, LLC; Douglas Heldoorn; Chad Franks - Status: **Not Open**
- 5) **DA2000023** - Recorded on: 01/19/22 - Applicant: Golden Hights; Brook Dunquesnel; Ailaloco, LLC - Status: **Open**
- 6) **DA2000012** - Recorded on: 07/02/21 - Applicant: A&A Property Investment, LLC; I.E. Gardens 2, Inc., dba Empire Gardens - Status: **Open**
- 7) **DA1900018** - Recorded on: 01/14/21 - Applicant: The Artist Tree IV, L.L.C.; Walid Zafari - Status: **Not Open**
- 8) **DA2100009** - Recorded on: 11/01/23 - Applicant: Community Veterans of RivCo, LLC, Cake Enterprise - Status: **Not Open**

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Third District:

- 1) **DA1900050** - Recorded on: 11/15/22 - Applicant: IsenGarden, LLC; Sandra J. Gibson, Trustee of the Gibson Family Trust; EEL- Riverside County, LLC; Elliot Lewis - Status: **Not Open**
- 2) **DA2100111** - Recorded on: 07/10/23 - Applicant: Flora Road, LLC; Dave Boggs; Joe Lizarraga; Kevin Johnson; - Status: **Not Open**
- 3) **DA2000008** - Recorded on: 05/20/21 - Applicant: Quantum Real Estate, LLC; Sean St. Peter; Tara St. Peter - Status: **Open**
- 4) **DA1900020** - Recorded on: 03/17/22 - Applicant: 2525 Ramona, LLC; CPR - Winchester, LLC - Status: **Open**
- 5) **DA2300009** - Recorded on: 8/6/24 – Applicant: Fausto Atliano Jr., Trustee of the Fausto 50 Revocable Trust dated July 9, 2019; FVC Riverside, Inc.; Fausto Atilano, Jr., Nocolé Gasco; - Status: **Not Open**
- 6) **DA1900021** - Recorded on: 11/30/21 - Applicant: R and B Investment, Inc.; Catalyst Hemet LLC; Elliot Lewis; Damian Martin - Status: **Open**

Fourth District:

- 1) **DA2000005** - Recorded on: 05/20/21 - Applicant: 4EG Services, L.L.C. and The Artist Tree IVA, L.L.C. - Status: **Open**
- 2) **DA1900019** - Recorded on: 10/01/21 - Applicant: Wishon Fresno, LLC; F2-Palm Desert, LLC, Damian Martin; Elliot Lewis - Status: **Open**
- 3) **DA1900022** - Recorded on: 10/21/21 - Applicant: Sandra J. Gibson, Trustee of the Gibson Family Trust; EEL- Riverside County, LLC; Elliot Lewis - Status: **Not Open**
- 4) **DA1900030** - Recorded on: 04/16/21 - Applicant: Flora Road, LLC; Dave Boggs; Joe Lizarraga; Kevin Johnson - Status: **Not Open**
- 5) **DA1900049** - Recorded on: 08/13/21 - Applicant: Samuel Kapukchyan; Kappkush, Inc. - Status: **Open**

Fifth District:

- 1) **DA2000014** - Recorded on: 01/19/22 - Applicant: Empire Cabazon, LLC; 50920 Seminole, LLC; Michael Lee; Anthony Hicks; Christopher Henry - Status: **Not Open**

Impact on Residents and Businesses

All potential individual cannabis retail project impacts were analyzed and discussed during the entitlement processing and public hearings for each individual case. Any changes to the community benefit fee rate structure will result in a positive impact to the County, to ensure a sustainable business model and provide support to Riverside County businesses.

Additional Fiscal Information

All Development Agreement fees are paid by the applicant; therefore, there is no General Fund obligation associated with the Cannabis Program Development Agreement Annual Review Report. Initiation to review and provide change recommendations to the Board of Supervisors

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Policy B-9 (Commercial Cannabis Activities), will result in a General Fund / NCC obligation of approximately \$40,000.

EXHIBITS

Exhibit A: 2023-2024 Development Agreement – Code Enforcement Report

Exhibit B: Development Agreement Fee Collection Summary

Exhibit C: Board of Supervisors B-9 Policy (Commercial Cannabis Activities)



Jason Farin, Principal Policy Analyst

1/30/2025



Aaron Gettis, Chief of Deputy County Counsel

1/28/2025



Riverside County Code Enforcement Department

Cannabis Enforcement Team - DA Stats 2024

Operating Dispensaries: 13

1. **Plant Galaxy** - 1270 Center St. Riverside (CUP200010)
2. **Cannabis 21+** - 213 W. La Cadena Dr, Riverside CA (CUP200024)
3. **Artist Tree** - 240 Iowa Ave, Riverside (CUP190008)
4. **Culture Cannabis** - 23215 Temescal Canyon Rd, Corona CA (CUP190053)
5. **The Cake House** – 13445 Estelle St, Corona, CA 92879 (CUP200045)
6. **Catalyst** – 41009 E. Florida Ave Hemet, CA (CUP200020)
7. **AO** - 28384 Winchester Rd, Winchester CA (CUP190032)
8. **Cannabis 21+** - 26120 Cordoba Dr Hemet, CA (CUP200020)
9. **Empire Gardens** - 19980 Grand Ste B, Lake Elsinore CA (CUP200027)
10. **Cannabis 21+** - 39225 Washington St Palm Desert, CA (CUP200015)
11. **Catalyst** - 39420 Berkey Dr Palm Desert, CA (CUP190031)
12. **The Syndicate** – 287 W. La Cadena Dr, Riverside CA (CUP190045)
13. **KappKush/Bulldog Cannabis** - 72242 Watt Ct Thousand Palms, CA (CUP190058 / Cultivation Site)

Dispensary Violations: 9

Notice of Violations Issued: 5

- **The Syndicate** - *Notice of Violation* for display and maintenance of all unpermitted signs, flags, billboards, banners, balloons, and stickers at or around the Property, in violation of Riverside County Ordinance No. 348 and the conditions of approval for the dispensary land use permit granted by the County CVZO240898 (287 W LA CADENA DR RIVERSIDE, CA 92501)
Issued 8/9/2024 / Closed in Compliance 10/15/2024.
- **Cannabis 21+** (Riverside) - *Notice of Violation* for display and maintenance of all unpermitted signs, flags, billboards, banners, balloons, and stickers at or around the Property, in violation of Riverside County Ordinance No. 348 and the conditions of approval for the dispensary land use permit granted by the County CVZO240401 (203 LA CADENA DR RIVERSIDE, CA 92501)

Issued 5/1/2024 / Closed in Compliance 5/29/2024.

- **Cannabis 21+** (Hemet) - *Notice of Violation* for display and maintenance of all unpermitted signs, flags, billboards, banners, balloons, and stickers at or around the Property, in violation of Riverside County Ordinance No. 348 and the conditions of approval for the dispensary land use permit granted by the County CVZO240399 (26120 CORDOBA DR HEMET, CA 92545)

Issued 5/1/2024 / Closed in Compliance 5/29/2024.

- **Cannabis 21+** (Palm Desert) - *Notice of Violation* for display and maintenance of all unpermitted signs, flags, billboards, banners, balloons, and stickers at or around the Property, in violation of Riverside County Ordinance No. 348 and the conditions of approval for the dispensary land use permit granted by the County CVZO240398 (39225 Washington St, Palm Desert, CA 92211)

Issued 5/1/2024 / Closed in Compliance 12/5/2024.

- **The Cake House** - *Notice of Violation* for display and maintenance of all unpermitted signs, flags, billboards, banners, balloons, and stickers at or around the Property, in violation of Riverside County Ordinance No. 348 and the conditions of approval for the dispensary land use permit granted by the County CVZO240400 (13445 ESTELLE ST CORONA, CA 92879)

Issued 5/1/2024 / Closed in Compliance 5/7/2024.

Cease and Desist Issued: 1

- **The Syndicate** - CEASE AND DESIST for display and maintenance of all unpermitted signs, flags, billboards, banners, balloons, and stickers at or around the Property, in violation of Riverside County Ordinance No. 348 and the conditions of approval for the dispensary land use permit granted by the County. CVZO240898 (287 W LA CADENA DR RIVERSIDE, CA 92501) **Issued 8/29/2024 / Closed in Compliance 10/15/2024.**

Voluntary On-Site Compliance Inspections: 4

- Inspections with identified violations are typically fixed on-site after education.

Educational MTE Outreach for 4/20 Events:

- January 2024 - All operating dispensaries were educated and encouraged to submit MTE application for any 4/20 events.

Other Department Assist: 1

- **The Syndicate** – On *10/31/24* responded to the dispensary as requested by the Department of Cannabis Control regarding overall commercial retail and distribution sub lease agreement.

Dispensary Action Plan 2025

Dispensary MTE Educational Outreach

- Encourage obtaining MTE for any 4/20 and/or any events
- Provide Operator/Applicant with the MTE application
- Inform of the process to obtain MTE and early planning and submittal; can take up to 90 days to process including the steps on applying

4/20 Operation Plan

- Conduct Inspections Ensure CUP Compliance
- Address Violations and Unpermitted Activities
- Monitor Approved MTE's

Inspections

- Routine / Annual Commercial Retail Cannabis Inspection
- Corrective Methods
- Encourage Fair Business Practices

| DA No. | DAA No. | DAB No. | DAC No. | CUP No. | District | Business Type | Operation Status | Total DAB Amount Collected | Total Code Enforcement of DAB (45%) | Total General Fund of DAB (55%) | Total DAC Amount Collected | DA Recorded | Applicant | DAB Amount Due | DAC Amount Due | DAA Amount Due | DAA Amount Collected | Community |
|----------------------------|-----------|-----------|-----------|-----------|----------|---------------|------------------|----------------------------|-------------------------------------|---------------------------------|----------------------------|-------------|---|----------------|----------------|----------------|----------------------|-------------|
| DA2000011 | DAA210005 | DAB210005 | DAC210005 | CUP200031 | 1 | Retail | Pending | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 04/16/21 | HHI Riverside, L.L.C.; Sean St. Peter; Tara St. Peter | \$0.00 | \$0.00 | \$0.00 | \$8,318.00 | Mead Valley |
| DA1900036 | DAA210118 | DAB210122 | DAC210117 | CUP190045 | 1 | Retail | Open | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 10/01/21 | The Castle Riverside, LLC; Gabriel Guzman; Joseph Pitruzzello & Frances Ilene Pitruzzello, Trustees of the Joseph Pitruzzello & Frances Ilene Pitruzzello | \$115,789.23 | \$14,045.00 | \$0.00 | \$7,660.00 | High Grove |
| DA1900004 | DAA210001 | DAB210001 | DAC210001 | CUP190008 | 1 | Retail | Open | \$327,628.69 | \$147,432.91 | \$180,195.78 | \$446,581.36 | 03/02/20 | 4EG Services, L.L.C. and The Artist Tree IVA, L.L.C. | \$0.00 | \$0.00 | \$0.00 | \$10,600.00 | High Grove |
| DA2000006 | DAA210011 | DAB210012 | DAC210012 | CUP200024 | 1 | Retail | Open | \$37,248.40 | \$16,761.78 | \$20,486.62 | \$49,339.63 | 05/27/21 | La Cadena Dr., LLC; C&W Management, LLC | \$75,986.74 | \$103,613.23 | \$0.00 | \$8,900.00 | High Grove |
| DA1900009 | DAA210013 | DAB210013 | DAC210013 | CUP190016 | 1 | Retail | Pending | \$239,783.98 | \$107,902.79 | \$131,881.19 | \$285,533.33 | 06/03/21 | 23215 Temescal Canyon, LLC; River Releaf, LLC | \$93,247.35 | \$147,446.40 | \$0.00 | \$11,200.00 | High Grove |
| DA2000002 | DAA210003 | DAB210003 | DAC210003 | CUP200010 | 1 | Retail | Open | \$152,891.33 | \$68,801.10 | \$84,090.23 | \$190,176.22 | 01/14/21 | Greentech Investments, LLC; Excel Riverside, Inc. | \$0.00 | \$0.00 | \$0.00 | \$0.00 | High Grove |
| Total Collected - District | | | | | | | | \$757,552.40 | \$340,898.58 | \$416,653.82 | \$971,630.54 | | | | | | | |

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|----------------------------|-----------|-----------|-----------|-----------|---|--------|---------|--------------|-------------|-------------|-------------|----------|---|--------------|--------------|------------|------------|----------------------|
| DA1900024 | DAA210121 | DAB220002 | DAC220007 | CUP190036 | 2 | Retail | Pending | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 11/30/21 | Nibble This - Lake Elsinore, LLC; Lakeland Plaza, LLC; Elliot Lewis | \$0.00 | \$0.00 | \$0.00 | \$5,100.00 | Lakeland Village |
| DA1900008 | DAA210004 | DAB210004 | DAC210004 | CUP190013 | 2 | Retail | Pending | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 06/03/21 | Michael Lee; 15573 Grand LLC | \$0.00 | \$0.00 | \$0.00 | \$5,100.00 | West Elsinore |
| DA1900044 | DAA210007 | DAB210008 | DAC210008 | CUP190053 | 2 | Micro | Open | \$24,770.12 | \$11,146.55 | \$13,623.57 | \$31,369.44 | 04/15/21 | James Alan & Christie F. Koontz Co-Trustees Liv. Trust; River Releaf, LLC | \$72,382.19 | \$93,851.36 | \$0.00 | \$5,815.00 | Glen Ivy Hot Springs |
| DA1900011 | DAA210010 | DAB210011 | DAC210011 | CUP190018 | 2 | Retail | Pending | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 06/03/21 | Coronita Helping Hands, LLC; Douglas Heldoorn; Chad Franks | \$0.00 | \$0.00 | \$0.00 | \$5,100.00 | Coronita |
| DA2000023 | DAA210223 | DAB210225 | DAC210220 | CUP200045 | 2 | Retail | Open | \$64,980.00 | \$29,241.00 | \$35,739.00 | \$0.00 | 01/19/22 | Golden Hights; Brook Dunquesnel; Ailaloco, LLC | \$137,500.00 | \$0.00 | \$0.00 | \$5,100.00 | Home Gardens |
| DA2000012 | DAA210115 | DAB210121 | DAC210116 | CUP200027 | 2 | Micro | Open | \$12,656.50 | \$5,695.43 | \$6,961.08 | \$17,136.67 | 07/02/21 | A&A Property Investement, LLC; I.E. Gardens 2, Inc., dba Empire Gardens | \$153,396.78 | \$211,809.20 | \$2,800.00 | \$5,100.00 | Lakeland Village |
| DA1900018 | DAA210002 | DAB210002 | DAC210002 | CUP190029 | 2 | Retail | Pending | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 01/14/21 | The Artist Tree IV, L.L.C.; Walid Zafari | \$0.00 | \$0.00 | \$2,700.00 | \$5,100.00 | Home Gardens |
| DA2100009 | DAA240001 | | | CUP210014 | 2 | Retail | Pending | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 11/01/23 | Community Veterans of Rivco LLC; Cake Enterprises Inc; National City Preferred Health Group Inc; Temescal Properties LLC; | \$0.00 | \$0.00 | \$5,100.00 | \$0.00 | Glen Ivy Hot Springs |
| Total Collected - District | | | | | | | | \$102,406.62 | \$46,082.98 | \$56,323.64 | \$48,506.11 | | | | | | | |

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| DA1900050 | DAA220002 | DAB220005 | DAC220009 | CUP190059 | 3 | Cultivation | Pending | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 11/15/22 | Sandra J. Gibson, Trustee of the Gibson Family Trust; EEL- Riverside County, LLC; Elliot Lewis | \$0.00 | \$0.00 | \$0.00 | \$5,100.00 | Sage |
| DA2100111 | DAA240002 | | | CUP210120 | 3 | Retail | Pending | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 07/10/23 | Flora Road, LLC; Dave Boggs; Joe Lizarraga; Kevin Johnson | \$0.00 | \$0.00 | \$5,100.00 | \$0.00 | Valle Vista |
| DA2000008 | DAA210008 | DAB210009 | DAC210009 | CUP200020 | 3 | Retail | Open | \$138,612.50 | \$62,375.63 | \$76,236.88 | \$172,265.83 | 05/20/21 | Quantum Real Estate, LLC; Sean St. Peter; Tara St. Peter | \$138,595.46 | \$174,244.74 | \$0.00 | \$11,260.00 | Green Acres |
| DA1900020 | DAA220001 | DAB220001 | DAC220006 | CUP190032 | 3 | Retail | Open | \$45,269.76 | \$20,371.39 | \$24,898.37 | \$182,835.84 | 03/17/22 | 2525 Ramona, LLC; CPR - Winchester, LLC | \$0.00 | \$0.00 | \$9,400.00 | \$33,200.00 | Winchester |
| DA2300009 | DAA240003 | DAB240001 | DAC240001 | CUP220038 | 3 | Retail | Pending | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 08/06/24 | Fausto Atliano Jr., Trustee of the Fausto 50 Revocable Trust dated July 9, 2019; FVC Riverside, Inc.; Fausto Atilano, Jr., Nocole Gasco; | \$0.00 | \$0.00 | \$0.00 | \$5,100.00 | |
| DA1900021 | DAA210122 | DAB220003 | DAC220008 | CUP190033 | 3 | Retail | Open | \$154,468.80 | \$69,510.96 | \$84,957.84 | \$348,700.00 | 11/30/21 | R and B Investment, Inc.; Catalyst Hemet LLC; Elliot Lewis; Damian Martin | \$76,406.98 | \$175,048.50 | \$2,900.00 | \$6,400.00 | East Hemet |
| Total Collected - District | | | | | | | | \$338,351.06 | \$152,257.98 | \$186,093.08 | \$703,801.67 | | | | | | | |

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| DA2000005 | DAA210116 | DAB210120 | DAC210115 | CUP200015 | 4 | Retail | Open | \$432,147.99 | \$194,466.60 | \$237,681.39 | \$518,800.00 | 05/20/21 | 4EG Services, L.L.C. and The Artist Tree IVA, L.L.C. | \$275,050.49 | \$330,385.92 | \$0.00 | \$11,100.00 | Thousand Palms |
| DA1900019 | DAA210119 | DAB210123 | DAC210118 | CUP190031 | 4 | Retail | Open | \$108,949.92 | \$49,027.46 | \$59,922.46 | \$283,600.00 | 10/01/21 | Wishon Fresno, LLC; F2-Palm Desert, LLC, Damian Martin; Elliot Lewis | \$48,166.36 | \$127,308.00 | \$2,400.00 | \$6,800.00 | Thousand Palms |
| DA1900022 | DAA210120 | | | CUP190034 | 4 | Retail | Pending | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 10/21/21 | Sandra J. Gibson, Trustee of the Gibson Family Trust; EEL- Riverside County, LLC; Elliot Lewis | \$0.00 | \$0.00 | \$0.00 | \$5,825.00 | Thousand Palms |
| DA1900030 | DAA210117 | | | CUP190040 | 4 | Micro | Abandoned | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 04/16/21 | Flora Road, LLC; Dave Boggs; Joe Lizarraga; Kevin Johnson | \$0.00 | \$0.00 | \$5,100.00 | \$0.00 | Thousand Palms |
| DA1900049 | DAA210014 | DAB210019 | DAC210014 | CUP190058 | 4 | Micro | Open | \$163,339.07 | \$73,502.58 | \$89,836.49 | \$172,266.66 | 08/13/21 | Samuel Kapukchyan; Kappkush, Inc. | \$53,146.18 | \$67,898.01 | \$0.00 | \$8,250.00 | Thousand Palms |
| Total Collected - District | | | | | | | | \$704,436.98 | \$316,996.64 | \$387,440.34 | \$974,666.66 | | | | | | | |

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| DA2000014 | DAA210224 | DAB210226 | DAC210221 | CUP200029 | 5 | Retail | Pending | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 01/19/22 | Empire Cabazon, LLC; 50920 Seminole, LLC; Michael Lee; Anthony Hicks; Christopher Henry | \$0.00 | \$0.00 | \$0.00 | \$5,900.00 | Cabazon |
| Total Collected - District | | | | | | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | | | | | | |

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| Program Total | | | | | | | | \$1,902,747.06 | \$856,236.18 | \$1,046,510.88 | \$2,698,604.98 | | | \$1,239,667.76 | \$1,445,650.36 | \$30,400.00 | \$182,028.00 | |
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|-------------------------|-----------|-----------|-----------|-----------|---|--------|---|--------------|-------------|-------------|--------------|----------|--|--------|--------|--------|------------|----------------------|
| Prior to Redistricting: | | | | | | | | | | | | | | | | | | |
| DA2000012 | DAA210115 | DAB210121 | DAC210116 | CUP200027 | 1 | Micro | - | \$6,204.17 | \$2,791.88 | \$3,412.29 | \$8,083.33 | 07/02/21 | A&A Property Investement, LLC; I.E. Gardens 2, Inc., dba Empire Gardens | \$0.00 | \$0.00 | \$0.00 | \$5,100.00 | Redistrict: D1 to D2 |
| DA1900024 | DAA210121 | DAB220002 | DAC220007 | CUP190036 | 1 | Retail | - | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 11/30/21 | Nibble This - Lake Elsinore, LLC; Lakeland Plaza, LLC; Elliot Lewis | \$0.00 | \$0.00 | \$0.00 | \$5,100.00 | Redistrict: D1 to D2 |
| DA1900008 | DAA210004 | DAB210004 | DAC210004 | CUP190013 | 1 | Retail | - | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 06/03/21 | Michael Lee; 15573 Grand LLC | \$0.00 | \$0.00 | \$0.00 | \$5,100.00 | Redistrict: D1 to D2 |
| DA1900044 | DAA210007 | DAB210008 | DAC210008 | CUP190053 | 1 | Micro | - | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 04/15/21 | James Alan & Christie F. Koontz Co-Trustees Liv. Trust; River Releaf, LLC | \$0.00 | \$0.00 | \$0.00 | \$5,815.00 | Redistrict: D1 to D2 |
| DA2000002 | DAA210003 | DAB210003 | DAC210003 | CUP200010 | 2 | Retail | - | \$80,659.24 | \$36,296.66 | \$44,362.58 | \$98,295.53 | 01/14/21 | Greentech Investments, LLC; Excel Riverside, Inc. | \$0.00 | \$0.00 | \$0.00 | \$8,225.00 | Redistrict: D2 to D1 |
| DA1900036 | DAA210118 | DAB210122 | DAC210117 | CUP190045 | 2 | Retail | - | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 10/01/21 | Castle Riverside,LLC; Gabriel Guzman; Joseph/Frances Pitruzzello Trustees | \$0.00 | \$0.00 | \$0.00 | \$5,960.00 | Redistrict: D2 to D1 |
| DA1900004 | DAA210001 | DAB210001 | DAC210001 | CUP190008 | 2 | Retail | - | \$180,926.53 | \$81,416.94 | \$99,509.59 | \$236,697.31 | 03/02/20 | 4EG Services, L.L.C. and The Artist Tree IVA, L.L.C. | \$0.00 | \$0.00 | \$0.00 | \$8,100.00 | Redistrict: D2 to D1 |
| DA2000006 | DAA210011 | DAB210012 | DAC210012 | CUP200024 | 2 | Retail | - | \$35,802.00 | \$16,110.90 | \$19,691.10 | \$44,752.50 | 05/27/21 | Sean St. Peter; Tara St. Peter; Michael Allen; Anna Allen | \$0.00 | \$0.00 | \$0.00 | \$6,400.00 | Redistrict: D2 to D1 |
| DA1900009 | DAA210013 | DAB210013 | DAC210013 | CUP190016 | 2 | Retail | - | \$166,583.98 | \$74,962.79 | \$91,621.19 | \$212,333.33 | 06/03/21 | Peoples Prop Riv.LLC; Grand Prop GroupLLC; Standard PropLLC; Bernard Stainmann | \$0.00 | \$0.00 | \$0.00 | \$7,600.00 | Redistrict: D2 to D1 |

| | | | |
|---------|-------|-----------|------------------------|
| Legend: | Green | Red | Gray |
| | Open | Fees Owed | Prior to Redistricting |

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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

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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).

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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:

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| License Type | Baseline Public Benefit Fee (\$ Per Square Foot) |
|--|---|
| CULTIVATION | |
| 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 |
| RETAIL | |
| 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 |
| MANUFACTURING (6,7) | |
| Small, 3,000 sf or less | \$4.00 |
| Large, greater than 3,000 sf | \$4.50 |
| MANUFACTURING (N, S, P) | |
| Small, 3,000 sf or less | \$3.00 |
| Large, greater than 3,000 sf | \$3.50 |
| OTHERS | |
| 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 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.

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Reference:

Minute Order 6.16 of 12/07/82
Minute Order 3.19 of 09/03/85
Minute Order 3.35 of 03/01/88
Minute Order 3.15 of 07/25/89
Minute Order 3.68 of 09/23/97 (Rescinded)
Minute Order 3.52 of 01/29/19