

**CITY COUNCIL RESOLUTION NO. 73-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA FINDING INDIGO THERAPEUTICS ELIGIBLE TO RECEIVE A MEDICAL MARIJUANA MANUFACTURER PERMIT UNDER CHAPTER 7.102 OF THE RICHMOND MUNICIPAL CODE**

---

**WHEREAS**, the City of Richmond has adopted Chapter 7.102 of the Richmond Municipal Code, which regulates and provides a permitting process for certain medical marijuana entities, including medical marijuana product manufacturers; ; and

**WHEREAS** Chapter 7.102 of the Richmond Municipal Code sets forth the basic requirements that all applicants must fulfill in order for the application to be deemed complete; and

**WHEREAS** Chapter 7.102 of the Richmond Municipal Code also provides that all complete applications shall be reviewed and evaluated by the Planning and Building Services, Fire, and Code Enforcement Departments (the “Reviewing Departments”); and

**WHEREAS** the Reviewing Departments are to score all complete applications based on criteria adopted by the City Council in Resolution No. 136-10, A Resolution of the City Council of the City of Richmond, California Establishing the Rating Criteria to be Used in Evaluating Complete Applications to Establish a Medical Marijuana Collective in the City of Richmond; and

**WHEREAS** following evaluation by the Reviewing Departments, all complete applications will be considered at a public hearing or series of public hearings per Section 7.102.050 of the Richmond Municipal Code; and

**WHEREAS** Indigo Therapeutics submitted an application for a medical marijuana product manufacture permit on April 29, 2016 to operate at JOINN Innovation Park, located at 2600 Hilltop Drive, and said application was deemed complete as containing all of the filing information required under Chapter 7.102.050 of the Richmond Municipal Code on June 7, 2016; and

**WHEREAS** the City of Richmond Reviewing Departments have reviewed and evaluated Indigo Therapeutics application based upon the criteria set forth in City Council Resolution No. 136-10; and

**WHEREAS** the City Council has reviewed Indigo Therapeutics’ application for conformance with Chapter 7.102 of the Richmond Municipal Code as well as the evaluation criteria set forth in City Council Resolution No. 136-10; and

**WHEREAS**, the City Council has conducted a properly noticed public hearing pursuant to Section 7.102.050 of the Richmond Municipal Code, and considered all oral and written evidence and testimony provided at that hearing, including but not limited to the application materials and the agenda report; and

**WHEREAS**, notice was provided to the applicants and owners of property located within 750 feet of the proposed manufacturing location of the date, time, and location of the public hearing pursuant to Richmond Municipal Code Section 7.102.050(F).

**NOW THEREFORE THE CITY COUNCIL OF THE CITY OF RICHMOND**  
resolves  
as follows:

- A. Indigo Therapeutics’ application documents and were reviewed and evaluated by Code Enforcement, Building Department, Planning and Zoning Department and the Fire Department. Based upon staff’s review of the following three categories, the City Council hereby makes the following findings:

B.

1. Competence of operate a business and prevent diversion of marijuana to the criminal market: Criteria satisfied.
  - The proposed location is away from residential areas.
  - Indigo Therapeutics appears competent to operate strictly for medical uses.
  - Indigo Therapeutics has no history of non-compliance in the City of Richmond.
2. Strength of Security Plan: Criteria satisfied.
  - The proposed location is a very secure location with 24 hour security and restricted gate access from the general public.
  - Indigo Therapeutics proposed location is contained within a 49 acre medical grade laboratory. All buildings are secure and require authorized access control readers at multiple locations to gain entry.
  - The proposed location is in a very low crime area.
  - The initial inspection of the proposed location meets operating conditions.
3. Provision of social or health – related benefits to member population in addition to supplying medical marijuana products: Criteria satisfied.
  - Indigo Therapeutics has capitalized to adequately meet all the permit conditions.
  - The proposed location is heavily secured which greatly reduces to possibility of criminal activity.

C. Based upon the above findings, the City Council finds that Indigo Therapeutics (Permittee) is eligible to receive a permit to operate a medical marijuana product manufacturing business, subject to all operating conditions, terms, and procedures set forth in the Richmond Municipal Code, as well as the following conditions set forth below.

D. Permittee’s ability to operate a medical marijuana manufacturing business shall be subject to the following conditions:

1. The Permittee shall hold the City of Richmond, its officers, employees, agents, and volunteers harmless in the event that any person or entity, including any federal, state, or county law enforcement agency, commences an investigation and/or civil or criminal action against the Permittee. To the fullest extent permitted by law, Permittee shall defend (with Counsel acceptable to the City), indemnify, and hold harmless the City of Richmond, the Richmond City Council, and its respective officials, officers, employees, representatives, agents, and volunteers (collectively City), from any liability, damages, actions, claims, demands, litigation, loss, causes of action, proceedings or judgment (including costs, attorneys’ fees, expert witness or consultant fees, City Attorney or staff time, expenses or costs) (collectively called “Action”) against the City to attack, set aside, void or annul, any medical cannabis-related approvals and actions and comply with the conditions under which such permit is granted.
2. The City of Richmond reserves the right to revoke the Permittee’s permit upon a finding by a court of competent jurisdiction that the Permittee is operating contrary to any law.
3. The Property must satisfy all local and zoning criteria. Permittee must separately obtain a conditional use permit in order to operate through the Planning Division.
4. Exterior building and parking area lighting at the Property must remain in compliance with all applicable provisions of the Richmond Municipal Code, as determined by the Planning Division.
5. Windows and roof hatches at the Property shall be secured so as to prevent unauthorized entry; equipped with latches that may be released quickly from the inside

to allow exit in the event of emergency; and comply with all applicable Building and Fire Code provisions.

6. The Property must provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the Property is not detected outside the Property, anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the Medical Marijuana Manufacturing Business.
7. The Property must remain monitored at all times by closed-circuit television for security purposes. The camera and recording system must be of adequate quality, color rendition and resolution to allow the ready identification of an individual on or adjacent to the Property. The recordings shall be maintained at the Property for a period of not less than thirty (30) days.
8. The Property must maintain at all times a centrally-monitored fire and burglar alarm system.
9. A sign must remain posted in a conspicuous location inside the Property at all times advising:
  - The diversion of marijuana for non-medical purposes is a violation of State law.
  - The use of marijuana may impair a person's ability to drive a motor vehicle or operate heavy machinery.
  - Loitering at the location of a Medical Marijuana Collective for an illegal purpose is prohibited by California Penal Code Section 647(h).
  - This Medical Marijuana Manufacturing Business is permitted in accordance with the laws of the City of Richmond.
10. If the Permittee distributes Edible Medical Marijuana or other manufactured infused products for the sole consumption by Qualified Patient members and Qualified Patient Management Members of the Collective, Permittee shall ensure that the products are manufactured, packaged and labeled in compliance with all applicable state and local laws.
11. The Permittee must meet all applicable state and local laws to ensure that the operations of the Collective are consistent with the protection of the health, safety and welfare of the community, Qualified Patients and their Primary Caregivers, and will not adversely affect surrounding uses.
12. Permittee shall not operate for profit. Cash and in-kind contributions, reimbursements, and reasonable compensation provided by Management Members and members towards the Collective's actual expenses of the growth, cultivation, and provision of Medical Marijuana shall be allowed provided that they are in strict compliance with State Law. All such cash and in-kind amounts and items shall be fully documented. The site of cultivation for all in-kind contributions shall be noted and addresses shall be made available to Fire and Building inspectors upon request.
13. Prior to distributing any crop, batch or bundle of Medical Marijuana that it cultivates or acquires for distribution or any Edible Medical Marijuana or other manufactured infused products, Permittee shall submit samples of that crop, batch or bundle to an independent laboratory to be tested using standard analytical methodology for the presence of mold, pesticides, and other additives or adulterants that could be harmful if ingested or applied topically. The Medical Marijuana or manufactured infused product shall not be distributed or consumed before laboratory results demonstrate that it is safe for consumption.
14. Prior to hiring any prospective employee or Management Member, the Richmond Police Department shall prepare a summary criminal history ("LiveScan") pursuant to the Requirements of Chapter 7.102.
15. Permittee must immediately apply for the State licenses within 10 days of the State Bureau of Medical Marijuana Regulation's application launch date. If Permittee fails to

obtain or qualify for the required State license, or is refused such license, Permittee shall immediately cease all operations in the City. The CMMRSA establishes a dual licensing structure requiring both a State license and a local permit; therefore any marijuana business that does not meet both State licensing and local permit requirements is not permitted to operate within the City limits.

16. Permittee must maintain all records and allow inspection as more fully set forth in the Richmond Municipal Code Chapter 7.102. Permittee must allow the City to examine books, papers, tax returns, and records to verify the accuracy of any declaration made, or to ascertain the business tax due. Permittee shall pay the annual license cannabis business tax as more fully set forth in RMC Chapter 7.04.139.

17. No vested right shall ever inure to the benefit of Permittee; the permit is revocable pursuant to the procedures set forth in RMC Chapter 7.102.

18. Prior written authorization from the Fire Department is required prior to conducting any extraction using solvents determined to be volatile by the California Department of Public Health or the Richmond Fire Department.

\*\*\*\*\*

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held July 19, 2016, by the following vote:

AYES: Councilmembers Bates, Beckles, McLaughlin, Myrick, Pimplé, Vice Mayor Martinez, and Mayor Butt.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

PAMELA CHRISTIAN  
CLERK OF THE CITY OF RICHMOND  
(SEAL)

Approved:

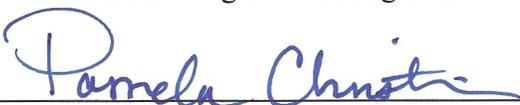
TOM BUTT  
Mayor

Approved as to form:

BRUCE GOODMILLER  
City Attorney

State of California            }  
County of Contra Costa        : ss.  
City of Richmond               }

I certify that the foregoing is a true copy of **Resolution No. 73-16**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on July 19, 2016.

  
\_\_\_\_\_  
Pamela Christian, Clerk of the City of Richmond