



**AGENCY:** City Council  
**MEETING DATE:** October 15, 2019  
**DEPARTMENT:** Public Works  
**PRESENTED BY:** S. Perkins  
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## AGENDA ITEM SUMMARY

### **TITLE:**

**Receive Report and Consider Introducing, by Title Only, and Waiving Further Reading of Ordinance 953-2019 Repealing Chapters 9.30 (Medical Marijuana Dispensaries), 9.32 (Marijuana Cultivation) and 9.33 (Cannabis Manufacturing), and Replacing them with Chapter 9.30 (Cannabis Businesses) of Title 9 (Public Peace, Safety and Morals) of the Fort Bragg Municipal Code**

### **ISSUE:**

Since the passage of the Medical Marijuana Regulation and Safety Act (MMRSA, 2015) and the Adult Use of Marijuana Act (AUMA, 2016), the State of California, through its Bureau of Cannabis Control, has been developing the laws, regulations and licensing requirements for cannabis businesses. On January 16, 2019, the California Office of Administrative Law (OAL) approved the Bureau of Cannabis Control's revised cannabis regulations.

The City of Fort Bragg adopted Ordinance 928-2017 in early 2017 regulating cannabis manufacturing uses following passage of the AUMA. Ordinance 928-2017 was applied and paid for by an applicant seeking to establish a cannabis manufacturing business in the City. Subsequently, the City has not updated its retail (dispensary) or cultivation ordinances, which were adopted prior to recreational legalization in California. On February 12, 2018, the City Council provided direction to staff to revise the City's dispensary regulations. At the time of Council direction, state policy had not settled whether or not cannabis businesses may hold multiple license types to participate at multiple points of the supply chain. The state's policy framework has shifted to allow more flexibility in license types, per the newly-approved Bureau of Cannabis Control's cannabis regulations. The state also made other minor changes to their regulations for the Council to consider—specifically the allowance of cannabis businesses near schools and other sensitive uses with local approval.

At numerous Council and Council Committee meetings, staff received direction to draft an amendment to the Municipal Code to permit and regulate cannabis businesses. At their August 28, 2019 meeting, the Planning Commission reviewed a draft Inland Land Use and Development Code (ILUDC) amendment that would provide the framework to permit cannabis businesses, and provided a recommendation to Council to adopt the ordinance. The recommendation from the Commission to approve the ILUDC amendment includes a condition that Council also approve changes to Municipal Code Chapter 9.30. Chapter 9.30 covers application requirements, application processing and other cannabis business policies. This report summarizes the proposed changes to Chapter 9.30.

### **ANALYSIS:**

In addition to the amendments proposed for the ILUDC, Chapter 9.30 would cover the logistical requirements for cannabis business applications. These include:

- Application contents
- Time limits and renewals
- Grounds for rejection of application
- Permit transfer policies
- Employee registration with the Police Department
- Permit suspension and revocation procedures

**Environmental Determination**

Adoption of these changes to the Municipal Code is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines, 14 Cal. Code of Regulations, Chapter 3 because this ordinance makes very minor changes to the administrative regulations governing the City’s regulations of commercial cannabis activity and it can be seen with certainty that there is no possibility that the minor changes in the ordinance will have a significant effect on the environment.

**RECOMMENDED ACTION:**

Introduce, by title only, and waive further reading of Ordinance 953-2019 repealing Chapters 9.30, 9.32 and 9.33 and replacing them with Chapter 9.30 (Cannabis Businesses) of Title 9 of the Fort Bragg Municipal Code.

**ALTERNATIVE ACTION(S):**

Provide direction to staff regarding further revisions to the Municipal Code addressing cannabis businesses.

**FISCAL IMPACT:**

If Council adopts the ordinance amendment permitting cannabis businesses, it is likely that a limited number of new businesses would open providing local jobs. Depending on the proposed business, the use could require a Use Permit or Minor Use Permit. These permit applications have associated fees that would offset costs of processing the permit.

**GREENHOUSE GAS EMISSIONS IMPACT:**

The ordinance amendment would not directly have an impact on greenhouse gas emissions. Deliveries associated with the goods these businesses sell would have a marginal effect on greenhouse gas emissions.

**CONSISTENCY:**

Council Goal 1: Become more business and customer service friendly – The proposed amendment would allow a business type currently prohibited in the City and encourage business growth.

Council Goal 3: Foster and help sustain local businesses – The amendment would allow a business that has been historically significant to the local economy.

**IMPLEMENTATION/TIMEFRAMES:**

If the ordinance is introduced on October 15, 2019 and adopted on October 28, 2019, it would become effective November 27, 2019.

**ATTACHMENTS:**

1. Ordinance 953-2019

**NOTIFICATION:**

Notify Me – Cannabis Legislation