



AGENCY:	City Council
MEETING DATE:	May 9, 2016
DEPARTMENT:	Administration
PRESENTED BY:	L. Ruffing

AGENDA ITEM SUMMARY REPORT

TITLE:

RECEIVE RECOMMENDATION FROM PUBLIC SAFETY COMMITTEE AND PROVIDE DIRECTION TO STAFF REGARDING AN ORDINANCE TO ADDRESS MEDICAL MARIJUANA MANUFACTURING

ISSUE:

A local entrepreneur, RootOne Botanicals, Inc., has expressed interest in operating a "cannabis concentrate manufacturing company" to serve the California medical cannabis industry. The facility would produce medical cannabis concentrates using CO₂ extraction, H₂O extraction, and alcohol distillation processes. The Fort Bragg Municipal Code does not allow the proposed use in any zoning district. The Public Safety Committee has reviewed this matter, in the context of sweeping State legislation known as the Medical Marijuana Regulation and Safety Act (MMRSA) that was signed into law by Governor Edmund G. Brown Jr. on October 9, 2015 and became operative January 1, 2016. The Committee has recommended that the City modify its zoning ordinance to allow medical marijuana manufacturing as a conditionally permitted use in the Light and Heavy Industrial zones with restrictions to protect the public health, safety, and welfare.

RECOMMENDED ACTION:

Provide direction to staff to draft an ordinance to allow medical marijuana manufacturing businesses in the Light and Heavy Industrial Zones with a conditional use permit, and to establish a cap on the number of permits to be issued.

ALTERNATIVE ACTION(S):

1. No action. Under this alternative, no further actions would be taken to address medical marijuana manufacturing uses and the use would continue to be prohibited in Fort Bragg.
2. Provide alternative and/or more specific direction regarding regulations addressing medical marijuana manufacturing uses.
3. Continue action on the matter and request additional information and/or analysis by staff.

ANALYSIS:

At the December 9, 2015 Public Safety Committee meeting, the Committee received a detailed report (Attachment 1) on the State's new regulatory and licensing system (MMRSA) which is comprised of State legislative bills known as AB 243, AB 266 and SB 643. (See Attachment 1.) MMRSA establishes five categories for State licenses (Cultivation; Distribution; Testing; Manufacture; Dispensing) and 17 different license classifications. A new Bureau of Medical Marijuana Regulation has been established and, under its direction, the following state agencies have responsibilities for various aspects of the licenses: Department of Consumer Affairs; Department of Food & Agriculture; Department of Public Health; Department of Pesticide Regulation; Department of Fish & Wildlife; State Water Resources Control Board. The legislation was specifically to maintain local governmental control over the issuance of a State license by requiring that a licensee shall not commence or continue commercial cannabis activity under the

authority of a state license unless the applicant has first obtained a permit, license, or other authorization from the local jurisdiction in with the licensee proposes to operate, and continually follows the requirements and conditions of the local permit, license, or authorization.

With this in mind, on April 13, 2016, the Public Safety Committee reviewed the City's regulatory framework for medical marijuana activities (Attachment 2) and discussed whether modifications were necessary. The Committee's recommendation to the City Council is as follows:

1. **Cultivation.** No changes to the City's medical marijuana cultivation regulations (FBMC Chapter 9.32 – See Attachment 3) are needed at this time.
2. **Dispensaries.** No changes to the City's medical marijuana dispensary regulations (FBMC Chapter 9.30 – See Attachment 4) are needed at this time.
3. **Delivery Services.** The City should not expressly prohibit medical marijuana delivery services, and should rely upon the State-mandated licensing process to ensure that the public health, safety and welfare of the community is protected.
4. **Medical Marijuana Transporters.** The City should rely upon the State-mandated licensing process for medical marijuana transporters to ensure that the public health, safety and welfare of the community is protected.
5. **Medical Marijuana Manufacturing.** The City Council should direct staff and the City Attorney's office to prepare an ordinance regulating medical marijuana manufacturing uses. Additional public input and vetting of the draft ordinance should be conducted by the Public Safety Committee prior to the ordinance coming back to the City Council for consideration.

FISCAL IMPACT:

Preparation of an ordinance to regulate medical marijuana manufacturing will require substantial efforts by both City staff and the City Attorney. To date, the City Attorney has not been involved in these discussions, pending direction from the entire Council. If an ordinance is passed allowing medical marijuana manufacturing, the City Council will need to establish appropriate fees to offset costs associated with the permitting process and any subsequent inspections or enforcement activities. If permitted, medical marijuana manufacturing would create new jobs. As a point of reference, RootOne Botanicals' business plan anticipates hiring more than 20 employees once running at full capacity.

IMPLEMENTATION/TIMEFRAMES:

Depending on workload and staffing constraints in the Community Development Department, it may take 2-3 months for an ordinance to be drafted and reviewed by the City Attorney's office. Then, depending on the direction of the Council, it would either be brought forward to the full Council for consideration or return to the Public Safety Committee for additional vetting and a recommendation prior to consideration by the Council.

ATTACHMENTS:

1. December 9, 2015 Public Safety Committee staff report
2. April 13, 2016 Public Safety Committee staff report
3. FBMC Chapter 9.32 – Medical Marijuana Cultivation regulations
4. FBMC Chapter 9.30 – Medical Marijuana Dispensary regulations
5. December 9, 2015 Public Safety Committee minutes

NOTIFICATION:

1. Root One Botanicals, Jon McColley

City Clerk's Office Use Only

Agency Action ☐ Approved ☐ Denied ☐ Approved as Amended

Resolution No.: _____ Ordinance No.: _____

Moved by: _____ Seconded by: _____

Vote: _____

☐ Deferred/Continued to meeting of: _____

☐ Referred to: _____