



AGENCY: City Council  
MEETING DATE: February 12, 2018  
DEPARTMENT: CDD  
PRESENTED BY: Scott Perkins  
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## AGENDA ITEM SUMMARY

### **TITLE:**

**REVIEW DRAFT RETAIL CANNABIS ORDINANCE AND PROVIDE DIRECTION TO STAFF**

### **ISSUE:**

The State of California has passed two pieces of legislation since the City's cultivation and dispensary ordinances became effective (2009 and 2005, respectively)— the Medical Marijuana Regulation and Safety Act (MMRSA, 2015) and the Adult Use of Marijuana Act (AUMA, 2016). The State Bureau of Cannabis Control Proposed Text of Regulations was published on November 16, 2017. Each State law places various levels of regulatory responsibility on local jurisdictions. In response of the new legislation, both the Public Safety Committee and the City Council have discussed the regulation of cannabis uses in the City of Fort Bragg. The following list details the meetings that addressed retail cannabis uses:

**City Council (January 23, 2017):** Received report on the City's opportunities and responsibilities regarding commercial cannabis uses. The Council directed staff to define, establish and regulate retail cannabis, and delegated further discussion to the Public Safety Committee.

**Public Safety Committee (May 17, 2017):** Received a presentation from the League of California Cities on the anticipated state regulations and issues for the City to consider. The Committee provided staff with a list of questions for consideration at a later meeting.

**Public Safety Committee (June 26, 2017):** Reviewed a spectrum of policy options for the regulation of retail cannabis for the development of a retail cannabis use ordinance and made a recommendation to the full City Council.

### **--State Bureau of Cannabis Control Proposed Text of Regulations released (Nov. 16, 2017)--**

**City Council (December, 11, 2017):** Reviewed Public Safety Committee recommendations and directed staff to draft an ordinance to regulate retail cannabis uses.

This report summarizes the Council's direction for regulation various aspects of the retail cannabis businesses.

### **ANALYSIS:**

Staff incorporated City Council's direction for regulating future retail cannabis uses into a draft ordinance and revisions to existing regulations (included in the Attachments to this report). The following table summarizes the policy direction reflected in the draft ordinance and ordinance revisions.

Policy Question	Council Direction
Medical and Personal Use: Should retail for medical and personal use of cannabis be regulated separately?	Strive to create one retail cannabis ordinance applicable to both medical and adult use purposes for ease of administration and compliance.
Zoning and Permitting: In which zoning districts should retail cannabis be permitted?	Table 2-6 of ILUDC Section 18.22.030 should be revised, adding a retail cannabis use, and allowing the new use in both the CG and CH zoning districts with an approved Use Permit. Limit the maximum quantity of permits available to four, and establish the limit by Council resolution.
Proximity to Sensitive Uses: Should retail cannabis uses be prohibited within certain distances of sensitive uses (churches, schools, hospitals, etc.)?	Include as a Use Permit finding for approval for retail cannabis uses that the design, location, size, and operating characteristics of the proposed activity are compatible with the existing and future land uses in the vicinity, and, specifically, with any church, park, day care, hospital, non-profit organization or residential use within 200 feet of the proposed use. The information would be used by the review authority (the Planning Commission) to determine the suitability of the project's proximity to sensitive uses, and place conditions of approval on the Use Permit to mitigate impacts. Further, prohibit any cannabis manufacturing use from locating within 600 feet of any school, day care center or youth center.
Use Restrictions: Should accessory uses or services be permissible for retail cannabis uses?	A retail cannabis ordinance should not prohibit accessory retail or service uses in association with the primary use.
Odor: How should a retail cannabis ordinance regulate odor?	<p>The retail cannabis ordinance should reference odor regulations as they apply to all uses (Section 18.30.080(J)), and replicate the odor requirements of the cannabis manufacturing ordinance.</p> <p>Applicants for retail cannabis Use Permits should submit an odor control plan, which may include an odor absorbing ventilation and exhaust system as part of their application so that Staff can determine if the business will comply with odor control requirements.</p>

Security: What measures should a retail cannabis ordinance include to ensure adequate security is provided for these uses?	<p>A retail cannabis ordinance should include application requirements that address the following:</p> <ul style="list-style-type: none"> <li>- A security plan ensuring the safety of employees and visitors from criminal activity, including theft and unauthorized entry</li> <li>- A diagram illustrating the use and coverage of security cameras, security lighting, and necessary access restrictions</li> <li>- A floor plan clearly illustrating the purpose and security of each room or area of operation</li> </ul> <p>These submissions would be reviewed to the satisfaction of the Police Department. No Use Permit application for retail cannabis would be approved without approval of the security plans by the Police Department.</p>
Deliveries: Should retail cannabis businesses be permitted to deliver cannabis, and is a storefront location required in order to deliver cannabis?	<p>A retail cannabis ordinance should allow deliveries. Businesses with deliveries are not required to have storefronts, but must also be located in the CG or CH zoning districts. Delivery establishments without storefronts would count against the maximum number of permits available.</p>
Ingestion: Should on-site ingestion of cannabis be allowable in conjunction with a retail cannabis establishment?	<p>A retail cannabis ordinance should prohibit on-site ingestion of cannabis.</p>

Now that State licensing requirements are available and the Council has discussed various aspects of the cannabis industry, staff has proposed to streamline the cannabis regulations. The attached regulations would revise Municipal Code Chapter 9.30 to apply to all cannabis businesses, outlining the Police Department's role in application review, permit processing procedures, standards for permit revocation, and universal policies for all cannabis businesses. Chapters 9.32 and 9.33 (Medical Marijuana Cultivation and Cannabis Manufacturing) would be rescinded, and covered under the revised Chapter 9.30.

The ILUDC would then contain the specific standards for the various business types. Just as existing Section 17.42.055 applies to cannabis manufacturing, staff is proposing Section 17.42.057 to apply to retail cannabis. The attached ordinance revisions also contain updates to the land use tables to reflect Council's direction on cannabis business locations, and a revision to the ILUDC definitions to include retail cannabis.

**RECOMMENDED ACTION:**

Provide direction to staff regarding contents of the draft cannabis business ordinances.

**FISCAL IMPACT:**

Preparation of an ordinance to regulate retail cannabis will require continued efforts by both City staff and the City Attorney. If an ordinance is adopted allowing retail cannabis, new businesses may open creating jobs.

**CONSISTENCY:**

Review and identify the consistency of the proposed recommendation with relevant adopted plans, policies and strategies. A consistency analysis should be completed for proposed regulations, City projects, infrastructure investments and new fees.

**IMPLEMENTATION/TIMEFRAMES:**

Once the City Council reviews the draft ordinance, the matter will be brought to the Planning Commission for review and recommendation. The City Council would then review the Commission's recommendation and consider adopting the ordinance.

**ATTACHMENTS:**

1. 9.30 Draft Cannabis Business Ordinance
2. 17.42 Draft Retail Cannabis Regulations
3. 17.42 Revised Cannabis Manufacturing Regulations
4. 17.22 Revised Commercial Land Use Tables
5. 17.24 Revised Industrial Land Use Tables
6. 17.100.020(C) Revisions to ILUDC Definitions
7. Email from Simeon Evans

**NOTIFICATION:**

1. Notification List: Cannabis Legislation