



**NOTICE AND AGENDA**  
**CITY OF UNION CITY**

**CITY COUNCIL /**  
**STUDY SESSION**

**Tuesday, August 8, 2017**  
**5:30 PM**

**Council Chamber**  
**34009 Alvarado Niles Road**  
**Union City CA**

- 1. CALL TO ORDER**
- 2. ORAL COMMUNICATIONS - Comments limited to items on the Special Meeting Agenda**
- 3. STUDY SESSION**
  - 3.a. Cannabis Policy Study Session**
- 4. ADJOURNMENT**

/s/ Carol Dutra-Vernaci  
Carol Dutra Vernaci  
Mayor



## Agenda Item

**DATE:** 8/8/2017

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** MARK EVANOFF, DEPUTY CITY MANAGER

**SUBJECT:** CANNABIS POLICY STUDY SESSION

The City Council is asked to receive the consultant and staff presentation on cannabis policy options, take community comment, discuss policy issues as a Council, and provide policy direction to draft cannabis regulatory measures.

### **BACKGROUND**

The City Council adopted an Urgency Ordinance in 2005 and 2012/2013 which prohibited the operation of medicinal cannabis dispensaries in Union City. The City Council subsequently adopted a permanent Ordinance on December 10, 2013 that prohibits the operation of medicinal cannabis dispensaries in Union City. Additionally, the City Council adopted an ordinance prohibiting medicinal marijuana cultivation and delivery within Union City. Thus, medical cannabis dispensaries, cultivation and delivery are currently prohibited in Union City.

Since that time there have been legislative and state voter approved measures that further regulate medical cannabis sales, adult use “recreational” sales, cultivation, manufacturing, distribution, and testing of cannabis. The state will begin issuing permits for the various types of cannabis operations on January 2, 2018.

Cities have the authority to adopt regulations that allow or prohibit any or all types of cannabis operations identified under state law -- with the exception of growing up to six plants within a private residence or an enclosed and secure assessor structure within a private residence for for personal use.

It is the staff recommendation that the City Council direct staff to adopt ordinances establishing specified regulatory procedures on cannabis operations. This will provide the City more control over the use of cannabis in the City including protection of the public, protection of the environment, protection of children, and funding for enforcement.

## **DISCUSSION**

California voters and the California Legislature approved key regulatory measures pertaining to both medicinal cannabis and adult use of cannabis:

- *Medical Cannabis Regulation and Safety Act ("MCRSA")*, 2015
- Voter approved *Proposition 64 Adult Use of Marijuana Act ("AUMA")*, 2016. *AUMA* legalizes recreational cannabis use for adults 21 and older and establishes a commercial licensing and regulatory structure for recreational marijuana businesses. Proposition 64 passed by 55 percent of the California voters and 55 percent of the Union City voters.
  - Generally legal to smoke or ingest cannabis
  - Generally legal to process, obtain, give away, purchase, and possess up to one ounce of marijuana and up to 8 grams of concentrated marijuana
  - Generally legal to possess, plant, harvest, dry, or process up to six living plants *within* a single private residence/accessory structure
  - Creates licenses for the following commercial cannabis activities: nursery, cultivation/harvesting, testing, manufacturing/processing, distribution, and retail
- *Trailer Bill SB 94: MCRSA AND AUMA*. *Trailer Bill SB 94* established a broad, unified regulatory procedure for all aspects of medical use, adult use, cultivation, manufacturing, distribution, dispensing, and sale of cannabis products.

The state will start to process permits for the various types of cannabis production on January 2, 2018. Cities have local authority to regulate certain aspects of personal and commercial cannabis activity.

Due to the long time frame needed to draft and vet regulatory ordinances and licensing procedures, required noticing requirements for adoption by the Planning Commission and the City Council, staff has developed a very detailed time frame, attached to this report, that identifies all the procedural steps that need to be taken to have a regulatory cannabis ordinance and procedures for licensing business in place before the end of calendar year 2017.

State licensees can obtain multiple licenses in nearly all categories including: cultivation, manufacturing and distribution. However, a testing laboratory licensee may not hold any other cannabis license type, nor may that testing lab license holder employ anyone who works at a non-testing cannabis business.

Staff believes the City will have more tools to protect public health and safety and the environment if the City Council adopts strong regulatory measures, as opposed to prohibiting all commercial activity.

Regulated commercial cannabis enables the Police Department to:

- Monitor business practices;
- Conduct background checks of employees;
- Audit and review large customer transactions;
- Approve security, surveillance, and operation plans;
- Offset cost for staff time through regulatory fees.

In addition to providing the Police Department with the financial resources and authority to regulate commercial cannabis operations, the City receives additional tools and resources:

- General fund revenue can be augmented through taxes;
- City controls who sells the product, the type of product, the location of the business, and the conditions that must be met for a business to operate;
- Creates a funding source for public education on drug abuse;
- Provides tools for enhanced public safety, environmental protection, neighborhood protection, and shielding the product from children;
- Creates a friendly business environment, where prospective investors know the rules and expectations for opening and operating a business in Union City.

Prohibiting commercial cannabis operations in Union City will not stop the use and illegal sale of cannabis in the community:

- Creates a reliance on public safety resources with no mechanism to recover costs;
- Difficult for Police Department to gather intelligence;
- Demand for cannabis products remains the same;
- Cannabis products are accessible in neighboring jurisdictions;
- Pushes the local cannabis market underground;
- Violent crime occurs in black market cannabis distribution.

Historically, cities and counties that chose not to regulate medical cannabis, could not control cannabis operations in their community, received no fees for law enforcement, and incurred increased law enforcement costs.

It is staff's recommendation that the municipal code, including the zoning ordinance be amended to allow cultivation, manufacturing, distribution, testing, dispensing, and retail sales in specified industrial zones. Operational standards would be adopted by resolution for issuing business licenses.

Neighboring jurisdictions to Union City have adopted different approaches to cannabis regulations:

- Alameda County recently amended the County Code of Ordinances to permit medical cannabis cultivation and increased the number of permitted medical cannabis dispensaries.
- San Leandro permits, and has granted three medical cannabis dispensaries. None of the dispensary permit holders have begun operations. San Leandro also recently approved an ordinance allowing cannabis manufacturing and cannabis testing laboratories. Cannabis testing laboratories only require a conditional use permit, while manufacturing has a pilot program to limit them to five in certain zones with a conditional use permit.
- Hayward provided direction to staff to return with an ordinance that allows a competitive process for all cannabis permits, including cultivation, distribution, medicinal dispensaries, and research companies. Businesses would be allowed in specified industrial and commercial zones. Permits would require a Conditional Use Permit with standards for security and background checks for employees
- Fremont adopted an ordinance that prohibits cultivation and commercial delivery of cannabis products within the city limits.
- The City of San Jose once allowed medicinal dispensaries without regulation. Dispensaries proliferated with 120 locations. The City Council adopted a moratorium on dispensaries after *AUMA* passed, and then drafted new regulatory standards and allowed medicinal dispensaries under stricter regulatory standards. The number of dispensaries dropped from 120 to 16.
- Thirty-nine California communities approved cannabis tax measures, all but one tax measure passed.

Sixty-three California communities passed voter approved measures legalizing and/or taxing cannabis.

The cannabis industry is projected to generate \$7.6 billion a year in product sales by 2020 in California. Investors are choosing where to open a business based on marketing potential and the community regulations.

Union City can capture a portion of the cannabis revenue through regulatory fees and taxes. The regulatory fee would be established as part of the licensing process. The City Council could request Union city voters to authorize a local tax on the June 2018 Ballot.

## **Public Outreach**

The public was notified about the time and date of the City Council Study Session through social media, postings on the City website, and the email distribution list. The public has an ongoing opportunity to comment on the cannabis programs throughout the timeframe of the City Council review of and adoption of cannabis regulatory policies through the website [www.unioncity.org/cannabis](http://www.unioncity.org/cannabis). Comment cards were distributed to the public for tonight's Study Session. Attachment 1 lists some of the cannabis comments received to date. There will be five more City Council meetings for the Council to discuss policy and receive input from the public.

Godbe Research had been engaged to conduct a scientific survey of likely voters on attitude toward the various types of cannabis operations. Godbe Research conducted voter surveys on past Public Safety Parcel Tax Measures for the City. The cannabis survey commenced on July 29, 2017 and will continue through the first week of August. The sample size is 400 likely voters and takes 20 minutes to administer. The survey results will be distributed to the City Council when they become available.

## **Next Steps**

A detailed timeline for approval of the zoning ordinance and regulatory ordinance is included in Attachment 2. The key benchmarks leading to the adoption of an ordinance and regulatory policies and licensing include:

### **September 7, 2017:**

- City Council and Planning Commission Study Session on polling data, draft land-use and zoning ordinance, regulatory guidelines, and application procedures.

### **September 21, 2017:**

- Planning Commission Public Hearing on land-use zoning ordinance.

### **September 26, 2017:**

- City Council First Reading of land-use zoning ordinance and regulatory ordinance.

### **October 10, 2017:**

- City Council Public Hearing 2nd Reading and adoption of proposed zoning ordinance amendments and 2nd Reading and adoption of proposed regulatory ordinance.
- City Council adopts resolution for cost recovery fees, regulatory guidelines, and application procedures.

## **November 10, 2017**

- Zoning ordinance and regulatory ordinance becomes effective.
- Staff starts to approve applications.

## **January 2, 2018**

- State begins to award licenses. Licensees need local approval to apply for state license.

## **December 2017 - February 2018**

- Staff returns to City Council to receive direction and authorization for placement of a local cannabis tax on the June 2018 Ballot.

## **June 5, 2018**

- Cannabis tax measure on Ballot.

## **FISCAL IMPACT**

Providing direction on cannabis regulations will not impact the Budget.

## **RECOMMENDATION**

Staff recommends that the City Council provide direction to:

1. Draft Regulatory and Zoning Ordinances that specify the process and procedures for issuance of licenses for commercial cannabis activity and that identify the locations in the industrial area where the cultivation, manufacture, distribution, testing, retail medicinal products and adult use retail products are allowed; and
2. Prepare License Agreements outlying all the regulatory requirements and fees to obtain a license to operate a cultivation, manufacturing, distributing, testing, and dispensing medicinal products, and sale of adult use products; and
3. Prepare policy for evaluating, selecting, and awarding cannabis business licenses.

## **Prepared by:**

Mark Evanoff, Deputy City Manager

## **Submitted by:**

Mark Evanoff, Deputy City Manager

## **ATTACHMENTS:**

Description	Type
<input type="checkbox"/> Public Comment Recieved on Webpage	Resolution

- 📎 Cannabis Implemenation Timeline
- 📎 Power Point - Cannabis Study Session

Attachment

Exhibit

## COMMENTS POSTED ON CITY WEB PAGE

1. I am a Union City resident and, although, I am NOT a cannabis user, I feel we should allow the responsible use, growth, and sale of cannabis. It is a waste of my tax dollars to enforce anti-cannabis policies. Focus on bigger issues and real drugs.
2. I work for a medical cannabis company that provides, capsules, tinctures and roll-ons for folks fighting cancer, epilepsy, drug addiction, insomnia, fibromyalgia, etc. Cannabis does not have the side effects that big pharma does. No one has ever been cured by chemotherapy....but folks have been cured on cancer because of it.
3. Step into the 21st century and listen to the people of your area....it is time to accept medical cannabis/recreational cannabis...it is far safer than alcohol.
4. I'm glad it will be legal. That seems much safer to me, you can choose milder or no-high types that help with certain medical conditions. I hope Union City doesn't overreact and ban stores.

For the record, I do not use any illegal drugs and I don't like the smell of pot. It would be nice to be able to have a legal transaction and safe, trusted place to purchase in the future, if needed.

Better over-the-counter than in-the-back alley.

5. I am not interested in having a store or stores in Union City selling cannabis. I don't like the possibilities of having problems in our city, due to selling it here. The only cannabis sales I am interested in seeing in Union City would be for medical purposes only. - I was disappointed when I got a phone call yesterday asking me to answer questions regarding Union City, but was disqualified when she asked if I worked for Union City, or was on a Commission, or a committee here. - Thanks for giving me this opportunity to give my opinion.
6. I would like the City Council to keep in mind that the current marijuana law includes the following limitations (listed below), as does the current Union City Smoking Ordinance 7.13. This is of utmost importance to me and my husband as owners of two rentals in a condo complex where ourselves, and adult and child neighbors can be negatively impacted by second-hand smoke.



State of CA:

11362.79. Nothing in this article shall authorize a qualified patient or person with an identification card to engage in the smoking of medical marijuana under any of the following circumstances:

\*\*\*\*\* (a) In any place where smoking is prohibited by law.\*\*\*\*\*

7. Because AUMA allows indoor personal cultivation regardless of regulations by local jurisdictions, I think Union City should re-allow outdoor cultivation. Indoor cultivation is more costly, unsafe, and is less eco-friendly.

Union City originally passed a law against all cultivation due to a vague section of the version of the MCRSA that was originally passed. The section in question seemed to imply that if local jurisdictions did not pass their regulations before May of 2016, they'd forced to accept the state-level defaults. In a rush, Union City (along with many other California cities) passed a ban on delivery and cultivation.

This section of the MCRSA was subsequently repealed by an amendment to the original bill. The repeal of that section combined with the fact that state law (AUMA) now prevents cities from banning personal indoor cultivation leads me to believe the city should re-allow outdoor cultivation, though perhaps with some reasonable restrictions in place (e.g., the number of plants, visibility, etc).

8. Let us be the city that embraces this industry! It's a harmless plant that can bring tons of revenue. =)
9. I hope union city takes a progressive approach regarding cannabis.

# Cannabis Implementation Progress Tracker



Roles	Task	Status	Start date	Due on
MARCOM, Mark E.	Draft, vet and approve public information for study session, webpage and online feedback forum	Done	7/17/2017	7/21/2017
Godbe, CAT	Draft, vet and approve community questionnaire	Done	7/17/2017	7/27/2017
HDL, MARCOM, Mark E	Draft, vet and approve study session presentation	In progress	7/18/2017	8/4/2017
CAO	Final legal opinion on CEQA - Staff preference to exempt	Done	7/19/2017	7/26/2017
HDL	HDL submit draft ordinance to staff for review	Done	7/26/2017	7/26/2017
CAT, ECD, HDL	CAT meeting: check-in with consultant	Done		7/27/2017
MARCOM	Buffer zone overlay map	In progress	7/27/2017	8/25/2017
Godbe	Topline data of community questionnaire due to staff by Godbe	Not started	7/29/2017	8/4/2017
MARCOM	Prepare study session materials and logistics	In progress	7/31/2017	8/8/2017
MARCOM	Launch public information on study session	In progress	7/31/2017	8/8/2017
ECD	Present study session information to EDAT	Not started		8/2/2017
HDL, ECD, Finance, PD	HDL to submit draft application, application guidelines and background guidelines	Not started	8/7/2017	8/17/2017
CAT, MARCOM	<b>MILESTONE: Cannabis Policy Study Session</b>	Not started		8/8/2017
MARCOM	Conduct stakeholder surveys (business, faith based, Commissions, EDAT)	Not started	8/9/2017	8/25/2017
MARCOM	Determine the option of a video	Not started		8/9/2017

# Cannabis Implementation Progress Tracker



Roles	Task	Status	Start date	Due on
CAT, HDL	CAT meeting: Review application material; discuss number of licenses and zoning districts.	Not started		8/10/2017
Godbe	Final report on community questionnaire due to staff by Godbe	Not started	8/25/2017	8/25/2017
MARCOM	Final stakeholder survey report due to staff	Not started	8/23/2017	8/25/2017
HDL, Finance, CMO, EC	Develop and finalize cost recovery fee for application process	Not started	8/11/2017	10/5/2017
ECD, CA	Staff report for joint Council & Planning Commission Study Session	Not started	8/9/2017	8/31/2017
ECD, CA	Public notice for September 21 Council & Planning Commission Study Session	Not started	8/15/2017	8/31/2017
Godbe, HDL, CAT	<b>MILESTONE:</b> City Council & Planning Commission Study Session on polling data, draft land-use and zoning ordinance, regulatory guidelines, and application procedures.	Not started		9/7/2017
ECD,CA,HDL	Staff report for Sept 21 Planning Commission Public Hearing on land-use ordinance	Not started	9/8/2017	9/15/2017
ECD	<b>MILESTONE:</b> Planning Commission Public Hearing on land-use ordinance	Not started		9/21/2017
ECD,CAO	Public notice for October 10 City Council Second Reading	Not started	9/8/2017	9/21/2017

# Cannabis Implementation Progress Tracker



Roles	Task	Status	Start date	Due on
	Staff report for September 26 City Council First Reading on land-use zoning ordinance and regulatory guidelines	Not started	9/8/2017	9/21/2017
ECD				
ECD, CMO, Finance, HD	<b>MILESTONE:</b> City Council First Reading on land-use zoning ordinance and regulatory ordinance	Not started		9/26/2017
ECD, CMO, Finance, HD	Staff report for Oct 10 City Council 2nd Reading and Public Hearing on land-use zoning ordinance	Not started	9/27/2017	10/5/2017
ECD, CMO, Finance, HD	<b>MILESTONE:</b> City Council Public Hearing 2nd Reading and adoption of proposed zoning ordinance amendments and 2nd reading and adoption of proposed regulatory ordinance	Not started		10/10/2017
ECD, CMO, Finance, HD	<b>MILESTONE:</b> City Council adopts resolution for cost recovery fees, regulatory guidelines, and application procedures	Not started		10/10/2017
City	Zoning ordinance and regulatory ordinance becomes effective; Staff starts to approve applications	Not started		11/10/2017
	<b>SPECIAL MUNICIPAL ELECTION TIMELINE</b>			
Staff	Staff returns to City Council to receive direction and authorization for placement of a local cannabis tax on the June 2018 Ballot.	Not started	12/12/2017	2/6/2018
	<b>MILESTONE:</b> State begins to award licenses; Licenses need local approval to apply for state license	Not started		1/2/2018

# Cannabis Implementation Progress Tracker



Roles	Task	Status	Start date	Due on
CMO, CAO	Notice submitted to newspaper re: public hearing calling for a special election	Not started	2/6/2018	2/13/2018
CMO, HDL, CAO	<b>MILESTONE:</b> City Council conducts Public Hearing calling for Special Election for cannabis tax measure	Not started		2/27/2018
CMO, CAO	Submit Notice of Special Election to newspaper for publication, and include dates for direct and rebuttal arguments; post notice of deadline for filing arguments – day after Council calls election for measure (EC 12101-02, EC 12111)	Not started		2/28/2018
CMO, CAO	Direct arguments for or against measure due--No more than 14 days from the calling of the election (300 word limit) (EC 9282, 9286); City Attorney's Impartial Analysis due (500 words maximum) (EC 9280)	Not started	2/28/2018	3/12/2018
CMO	Last day to file with County Board of Supervisors a Council resolution requesting consolidation (EC 10400, 10402, 10403) ; Last day to publish "Notice of Measure" to be voted on	Not started		3/12/2018

# Cannabis Implementation Progress Tracker



Roles	Task	Status	Start date	Due on
CMO	Last day to withdraw measure from ballot (E-83, EC 9605)	Not started		3/17/2018
CMO	10-day public examination period for direct arguments (EC 9295)	Not started	3/12/2018	3/21/2018
CMO	Rebuttal arguments due --10 days after direct arguments are due (250 word limit) (EC 9285)	Not started		3/21/2018
CMO	10-day public examination period for election materials (takes into account rebuttal argument period) (EC 9295)	Not started	3/21/2018	3/30/2018
	<b>MILESTONE:</b> Cannabis tax measure on Primary Ballot.	Not started		6/5/2018



# Cannabis Policy Study Session

**08.08.17**  
**5:30 PM**



**CITY HALL**

34009 Alvarado-Niles Road | Union City, CA

or visit [www.unioncity.org/cannabis](http://www.unioncity.org/cannabis) to learn more



## About HDL

- Serves:
  - 400 cities
  - 44 counties
  - 79 transaction districts
- Partnered with over 70 local agencies to develop cannabis policies
- Former policymakers and law enforcement
- Conducted over 10,000 cannabis compliance reviews



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**What's Legal?**



## California Cannabis Laws

2015

2016

2017

Medical Cannabis  
Regulation and Safety  
Act (MCRSA)

Proposition 64  
Adult Use of Marijuana  
Act (AUMA)

Trailer Bill SB 94:  
Medical & Adult Use  
Cannabis  
Regulation and Safety  
Act



## Proposition 64 Election Results

Statewide – passed with  
56% of the vote; 44%  
opposed

Alameda County – 66% of  
the voters supported; 34%  
opposed

Union City - 55% of the  
voters supported; 44%  
opposed

## Trailer Bill SB 94: Medical & Adult Use Cannabis Regulation and Safety Act



### Local Contact

Requires local agency to establish local contact for their jurisdiction



### Notification

The State must notify local jurisdictions when it receives a commercial cannabis application.



### Unified Regulatory System

Merging medical and adult-use regulations together. Regulated cannabis similar to alcohol sales.

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**Why Should Union City Care?**

## City Council Sets Cannabis Regulatory Policies on:

- Cultivation
- Manufacturing
- Testing
- Delivery
- Retail





## Regulated commercial cannabis

- Police Department oversight
- Cost recovery through fees
- Generates new general fund revenues through taxes
- City controls who, what, where, when
- Decreases black market



## Unregulated commercial cannabis

- Demand for cannabis remains the same
- Accessibility to neighboring jurisdiction
- Pushes local market underground
- Cost to City increases without funds to pay for it



# Union City's Community Priorities



Public Safety



Environmental  
Protection



Neighborhood  
Protection



Access by Youth





# Cannabis Economic Trends

Cannabis industry set to generate \$7.6 billion in California by 2020

Local communities are looking to benefit financially from commercial companies

Residential growers are competing in the market

Cannabis Policy Study Session

## November 8, 2016 Ballot Measures

63 local cannabis measures to  
legalize, tax and set boundaries

- 83% passing rate in Norcal
- 76% passing rate in Socal

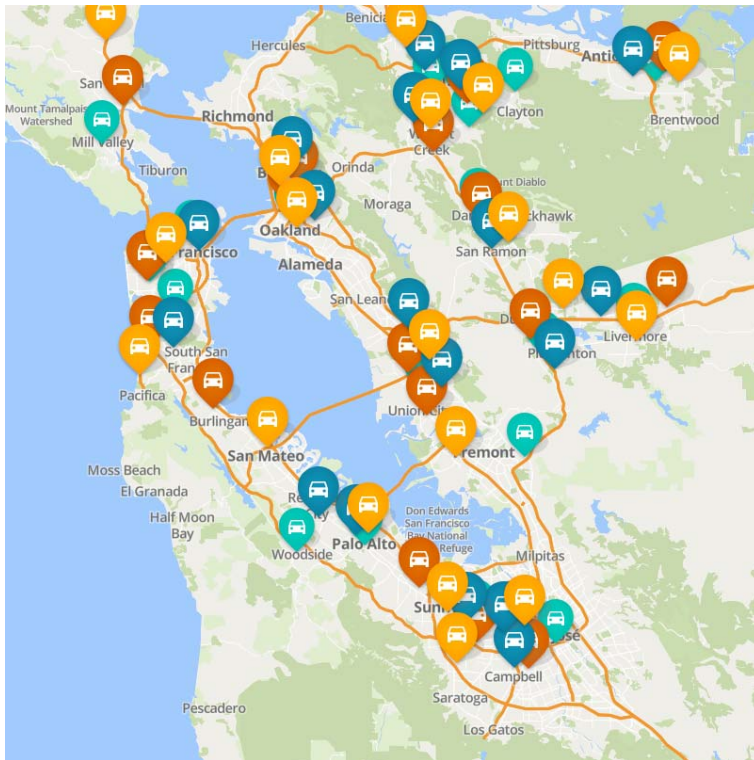
39 cannabis tax measures on the  
ballot of which only one failed-  
Colfax



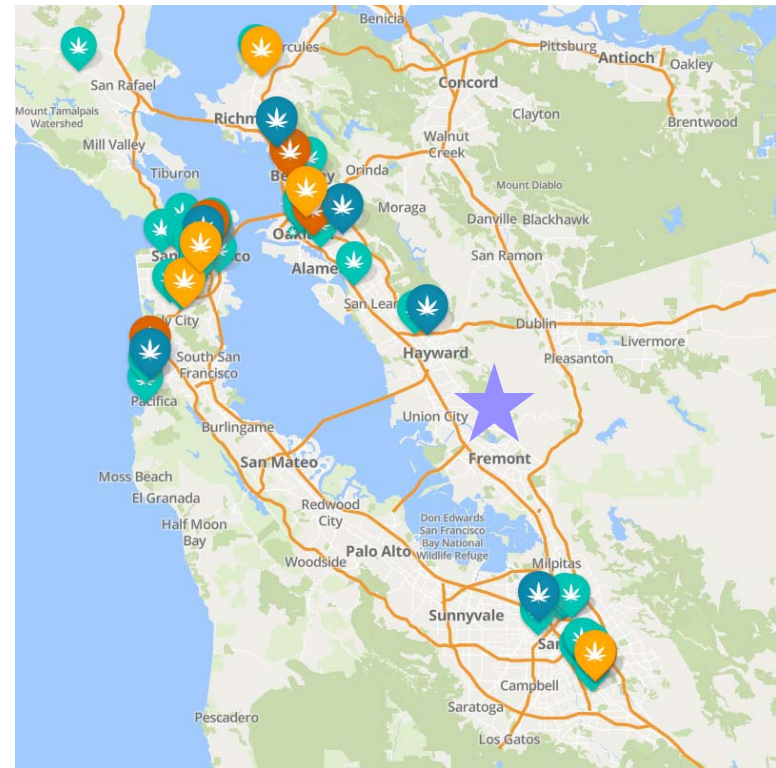
| Cannabis Policy Study Session



## The Industry is Already Here

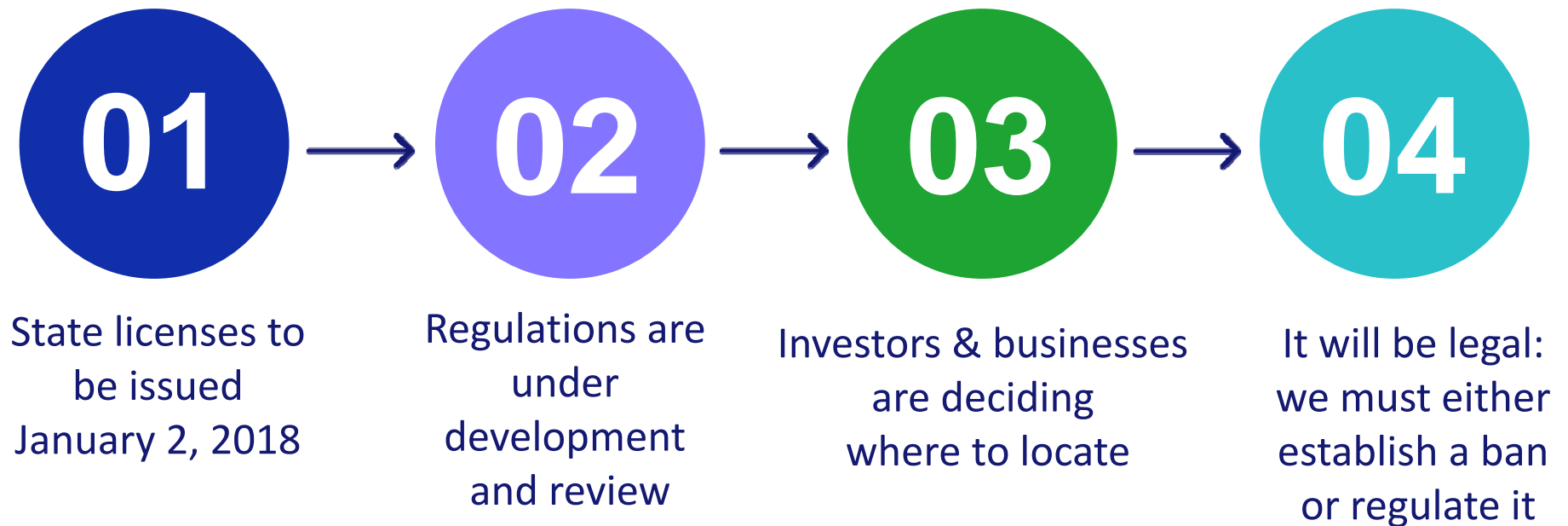


Delivery locations

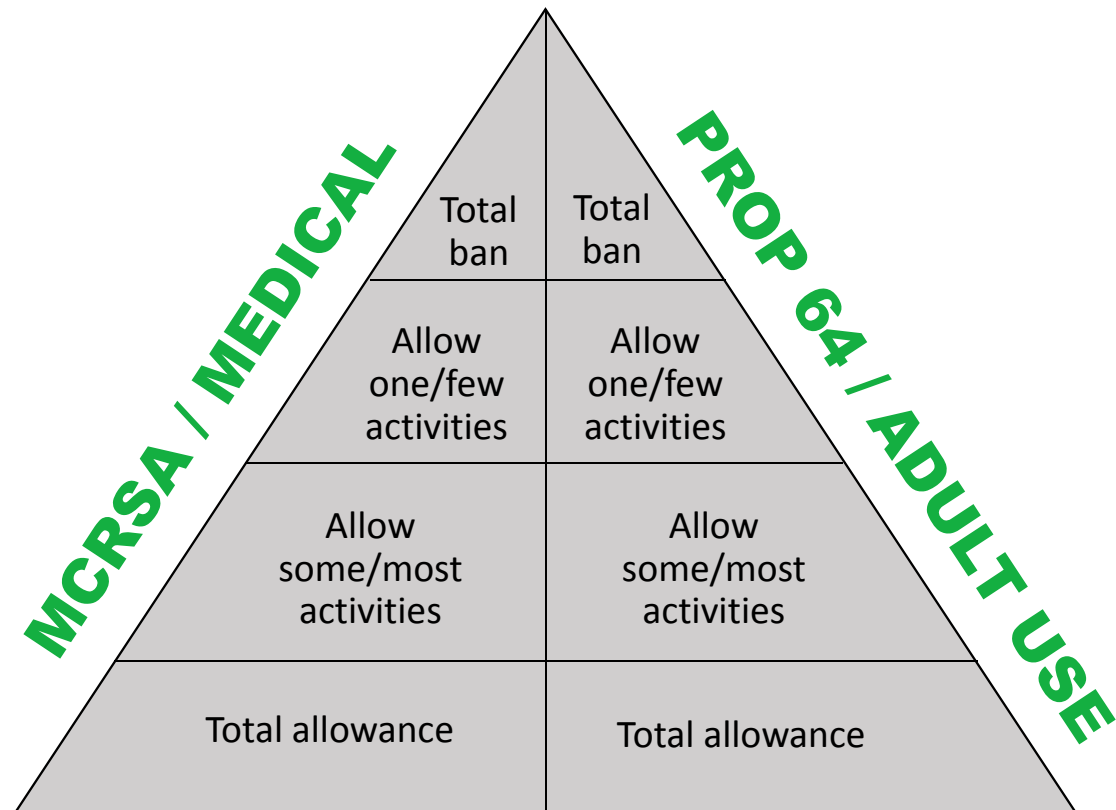


Dispensary locations

## Starting Now is Important Because:



# REGULATORY OPTIONS



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# Potential Public Concerns





### Public safety concerns

- Bad actors
- Youth exposed to grow sites in residential property
- Black market diversion/inversion
- Illegal cultivation activities
- Illegal business activities
- Driving while impaired
- Increased traffic



### Public health concerns

- Bad odors
- Environmental pollution
- Overdose
- Access by youth
- Product alteration

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## **Addressing Public Concerns Through Regulation**





## A Regulatory System Can:

- ✓ Give the local agency authority control over licensing
- ✓ Require applicants to comply with robust requirements
- ✓ Enhance accountability for security and product safety
- ✓ Reduce intervention from the Federal Government

## A Regulatory Ordinance Can Include:

- Limited number of business licenses
- Access control requirements
- Police access
- Police background checks
- Record reporting/retention requirements
- Investigation and inspection protocols
- Good neighbor policy
- Mitigation of impacts
- Suspension, fines, and permit revocation



# Application Process

- Clearly defined limits on number of permits
- Applicants meeting specified standards
- Payment of application fee
- Ongoing payment to City to recover city cost

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# **Tax & Fee Revenues**

# Revenue Generating Strategies



Standard fees to  
recover City costs  
(safety, education, enforcement)



General tax approved  
by voters in June 2018;  
50% +1;  
Tax to general fund

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# **Staff Recommendation**

# Timeline



- ✓ Educate the community
- ✓ Conduct community survey
- ✓ Draft a regulatory framework
- ✓ Develop a cost recovery plan

01

July – August

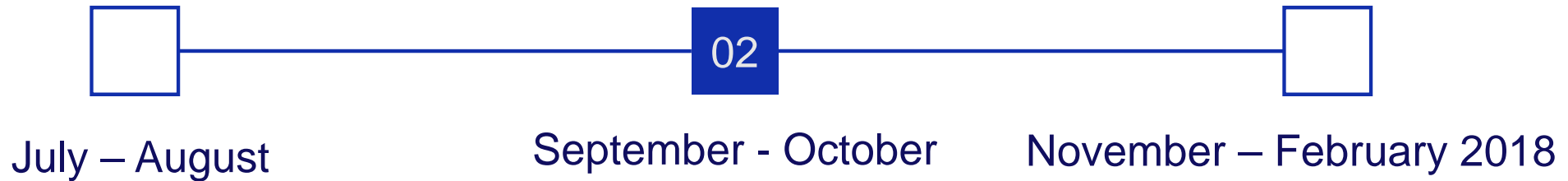
September - October

November – February 2018

## Cannabis Policy Study Session



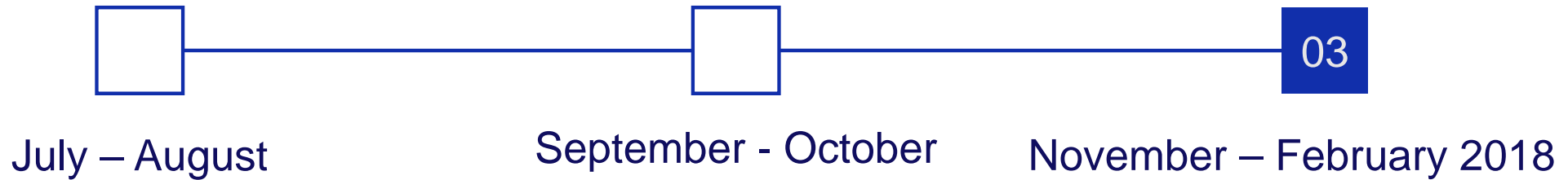
- ✓ Study session & public hearings on revised regulatory and zoning ordinance
- ✓ Adopt a resolution approving a cost recovery plan and application procedures







- ✓ Full regulation implementation by 12.31.17
- ✓ Develop a tax policy
- ✓ Adopt a resolution placing a tax measure on the June 2018 ballot





## Police Department Supports the City's Direction

### Regulating cannabis allows police to:

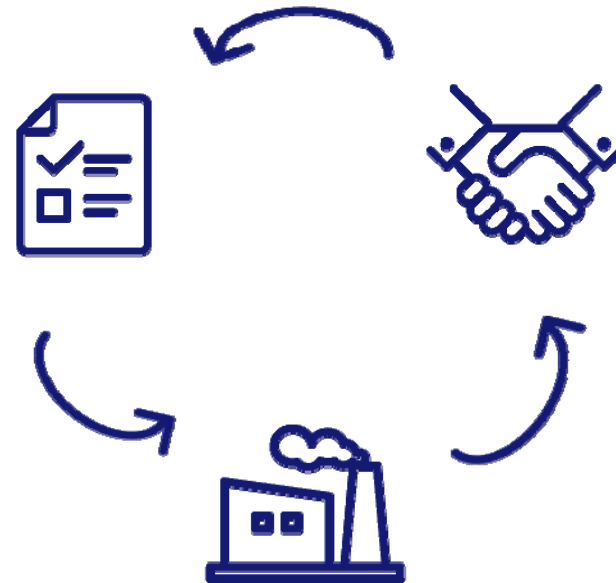
- Monitor business practices
- Background employees
- Audit large customer transactions
- Approve security plans
- Offset resource cost for staff time

### Unregulated illegal sales of cannabis:

- Limits police control
- Makes it difficult to gather intelligence information
- Encourages black market sales
- Creates a reliance on public safety resources with no mechanism for cost recovery
- Results in violent crimes

## ECD Department Supports a License Agreement Process

- ✓ Allows us to be business friendly, nimble and expeditious
- ✓ Establishes one process
- ✓ Requires compliance with operational standards
- ✓ Amendments needed to accommodate cannabis in industrial zones





## Staff Recommendation to City Council

- Authorize cannabis in authorized locations
- High standards for public health, safety, and education



## **Staff Recommends that the City Council Provide Direction on:**

1. Draft Regulatory and Zoning Ordinances that specify the process and procedures for issuance of licenses for commercial cannabis activity and that identify the locations in the industrial area where the cultivation, manufacture, distribution, testing, retail medicinal products and adult use retail products are allowed; and
2. Prepare License Agreements outlying all the regulatory requirements and fees to obtain a license to operate a cultivation, manufacturing, distributing, testing, and dispensing medicinal products, and sale of adult use products; and
3. Prepare policy for evaluating, selecting, and awarding cannabis business licenses.



## | Cannabis Policy Study Session

name	phone	email
David McPherson, Cannabis Compliance Director	909-861-4335	<a href="mailto:dmcpherson@hdlcompanies.com">dmcpherson@hdlcompanies.com</a>