



City Council Study Session

REGULATION OF CANNABIS - FOLLOW-UP #1

June 26, 2019

UPDATED: 06-26-19

CITY COUNCIL DIRECTION – APRIL 2019

- **PURSUE REGULATION OF RECREATIONAL AND MEDICINAL CANNABIS USE**
 - No Ballot Measure to Regulate
- **RETURN IN 2 MONTHS TO DISCUSS THE FOLLOWING QUESTIONS**
 - Schedule
 - Lottery vs. Merit Based Qualification Process
 - Can/Should We Regulate Land/Lease Value Market Forces?
 - Staffing
 - Expected Litigation

COUNCIL QUESTIONS – TOO EARLY TO ANSWER

- **STAFFING & LITIGATION**

Qualification Process

- Both Will Depend Upon

Number Permitted

Complexity of Regulations

- **STAFFING**

- Dedicated Personnel & One Primary Point of Contact (Consistency & Expertise)

Planner(s)

Code Enforcement Officer(s)

Attorney

Paralegal

Building & Fire Inspector(s)

Finance Tax/Customer Service Rep(s)

3 Police Officers (Detective for County Task Force)

PD Analyst

- Consultants Can Be Used for Some (e.g. legal, auditors etc.)

- Team Leader - Primary Point of Contact

The Sooner The Better

COUNCIL QUESTIONS - SCHEDULE

- **ORDINANCE DEVELOPMENT (6-9 MONTHS)**
 - Factors: Public Input & Council Hearings
 - Efficiency Assist: Ad Hoc Council Committee
- **APPLICATION DEVELOPMENT (1 MONTH)**
- **APPLICATION INTAKE (1-2 MONTHS)**
- **APPLICATION EVAL & APPROVAL (1-3 MONTHS)**
 - Efficiency Assist: Administrative Approval Process



BUILD-OUT & OPENING 1-2 YEARS



NEEDED INPUT – BIG PICTURE ISSUES

- 1. TYPES OF BUSINESSES TO ALLOW?**
- 2. WHERE TO ALLOW?**
- 3. DO WE LIMIT THE NUMBER AND - IF SO - HOW TO CALCULATE?**
- 4. LOTTERY VS. MERIT-BASED QUALIFICATION?**
- 5. ADMINISTRATIVE OR LEGISLATIVE APPROVAL PROCESS?**
- 6. TAXATION BALLOT MEASURE?**
- 7. AD HOC COMMITTEE?**

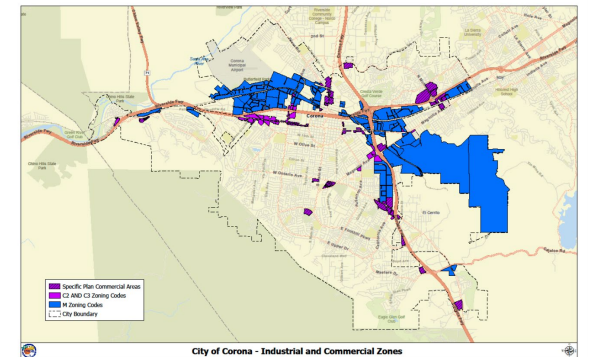
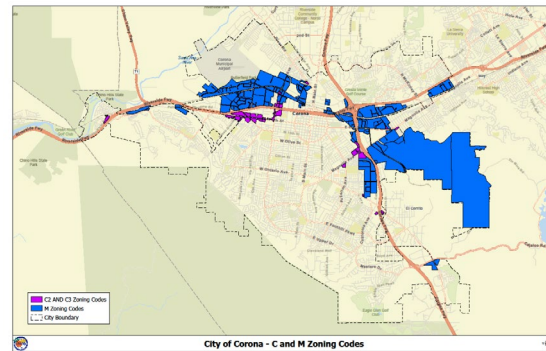
NEEDED INPUT – BIG PICTURE ISSUES

- **TYPES OF BUSINESSES TO ALLOW**

- **Cultivation**
 - Indoor Only?
 - Market in Corona?
 - Higher Secondary Issues?
 - Complexity of Regulation
- **Manufacturing**
- **Distribution**
- **Testing Labs**
- **Retailers (Storefront)**
- **Retailers (Non-Storefront)**

NEEDED INPUT – BIG PICTURE ISSUES

- **WHERE TO ALLOW?**
 - **M - Manufacturing Zones?**
 - **C2 & C3 – Restricted and General Commercial Zones?**
 - **Specific Plans with General Commercial Zones?**
 - **Others?**



NEEDED INPUT – BIG PICTURE ISSUES

- **DO WE LIMIT THE NUMBER AND - IF SO - HOW TO CALCULATE?**
 - If Limited, it is Typically Retail
 - Some Argue for 1 Retail for Every 10K-15K Population
 - BUT Are Limits Needed with Zoning & Distance Requirements?
 - Let Qualification Criteria & Market Dictate?

NEEDED INPUT – BIG PICTURE ISSUES

- **LOTTERY VS. MERIT-BASED QUALIFICATION**
 - Merit = More Control
 - Merit = Less Litigation (IF # Not Limited/Fair/Non-Political)
 - Lottery = More Open
 - Limit Qualification Process
 - Zoning Issues
 - Public Health, Safety & Welfare Issues
 - Not Market Issues (e.g. Land/Lease Value Market Forces)

NEEDED INPUT – BIG PICTURE ISSUES

- **ADMINISTRATIVE OR LEGISLATIVE APPROVAL PROCESS?**
 - Admin = Efficiency
 - Admin = Less Political = Less Litigation Issues
 - Admin = Concerns Addressed in Ordinance & Qualification Criteria
 - Leg = Each Business Publicly Examined

NEEDED INPUT – BIG PICTURE ISSUES

- **TAXATION BALLOT MEASURE?**
 - **Less Risky Than Contractual Collection**
 - **Better Collection Powers**
 - **Contractual May Be Necessary - Ballot Measure Timing?**

NEEDED INPUT – BIG PICTURE ISSUES

- **AD HOC COMMITTEE?**
 - Recommended for Time Efficiency
 - Routine Input for Staff
 - Can Increase Public Input
 - Ordinance Including All Issues Would Return to Full Council
 - Zoning & Distance Requirements
 - Merit Based Qualification Criteria
 - Rating Process
 - Suggested Tax/Fee Rates

CONCLUSION

QUESTIONS?



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