



City Manager's Report
August 28, 2018 City Council Meeting
Prepared By: M. Cleve Morris
Item#: 12.1

- Subject:**
1. Review Draft Cannabis Business Regulation Ordinance and provide Direction to the Cannabis Subcommittee and Staff and;
 2. Refer the proposed Cannabis Business Overlay Zone to the Planning Commission for review and recommendation

Purpose: The purpose of this item is to receive input from the public and Council direction on a draft Cannabis Business Regulation Ordinance.

Background: On August 14, 2018 the Council reviewed the Cannabis Business Regulation Ordinance and provided input to staff. Comments were also received from the public.

Discussion:

At the meeting on August 14, 2018, the following recommendations were made:

Section 5.28.090 (d) was revised as recommended.

Section 5.28.250 is being modified to identify areas where businesses can be located. Staff originally defined areas as Commercial or Heavy Commercial with the 600 foot restrictions. However, after reviewing maps with these restrictions, we found almost no areas where a business could be located. Based on that, alternative language is being developed to address that issue. A rough draft has been placed in the ordinance for discussion at this time. A draft map is also provided to assist in identifying those areas where cannabis businesses could locate. It is recommended that a Cannabis Business Overlay Zone be considered that will fall within the Commercial and Heavy Commercial Zones. The maps and language provided would allow for a Cannabis Business Overlay Zone. This zone addition will require review and action by the Planning Commission.

Section 5.28.250 paragraph e3, the phrase "and consistency with the surrounding properties" was removed from the sentence.

Section 5.28.320 i6 has the words "anywhere in the state" removed.

Other comments for which changes were considered:

Mayor Thomas stated that Deliveries in section 5.28.370 should only be allowed for Medicinal Marijuana. No direction from the council was given for this item.

Public Member Kelly Chiusano of Pure Live Collective commented on Section 5.28.250. That section is being changed as noted above. He also stated that he feels the restriction for distance from residential zoning in Section 5.28.250 is too restrictive. This is also being rewritten.

Theodore Dziuba commented on 5.28.100, paragraph 5 regarding the issue of fair market value of the property. Staff and the committee felt that although this may be an issue in a larger jurisdiction, it would not be a major issue for Placerville.

Mr. Dziuba also commented on 5.28.200 and the 51% ownership requirement for changes. Staff reviewed this item with the City Attorney and HDL and after review felt the language is sufficient for our small jurisdiction.

Mr. Dziuba also registered a concern that Cannabis is a cash only business that has the potential to increase criminal activity. Although this is a concern, there are now some non-cash options which can be used.

Rod Miller of the El Dorado County Growers Alliance spoke in support of the ordinance but encouraged the Council to support deliveries both inside and outside of the City. No changes were made in relation to this item.

Options:

1. Provide direction to the committee on changes to the proposed ordinance.
2. Request further information from staff prior to moving forward.
3. Direct staff to not pursue the Business Regulation Ordinance at this time.

Cost: Staff time to prepare the ordinance can be absorbed in the current budget.

Budget Impact: None. It is anticipated additional tax revenues and potential expenditures will occur if a new ordinance is passed which allows cannabis businesses to open. The full impact is not known at this time. Any additional expenses not absorbed in the current budget will be brought back to Council for approval. For example, if we move forward and start the application process, expenses will be incurred for background checks and other items. It is expected these costs will be borne by the applicants through a fee adopted by Resolution.

Recommendation:

1. Review Draft Cannabis Business Regulation Ordinance and provide Direction to the Cannabis Subcommittee and Staff and .
2. Refer the proposed Cannabis Business Overlay Zone to the Planning Commission for review and recommendation.



M. Cleve Morris, City Manager

Attachment: Draft Business Regulation Ordinance
Proposed Cannabis Business Overlay Zone Map