

*"Placerville, a unique historical past forging into a golden future."*

**City Manager's Report**  
**November 13, 2018, City Council Meeting**  
**Prepared by: Cleve Morris, City Manager**  
**Item #: 12.1**



**Subject:** Adopt a resolution approving the number of cannabis related businesses allowed in the City of Placerville in accordance with City Ordinance No. 1694.

**Purpose:** To establish the number and type of legally allowed businesses within the City of Placerville in accordance with City Ordinance No. 1694.

**Background:**

On October 9, 2018, the Council adopted an Urgency Ordinance No. 1694 defining business regulations for Cannabis related businesses in the City of Placerville. Section 5.28.080 of the ordinance states:

**Section 5.28.080. Maximum Number and Type of Authorized Commercial Cannabis Businesses Permitted.**

**The number of each type of commercial cannabis business that shall be permitted to operate in the City shall be established by resolution by the City Council.**

- (a) **Section 5.28.080 is only intended to create a maximum number of commercial cannabis businesses that may be issued permits to operate in the City under each category. Nothing in this Chapter creates a mandate that the City Council must issue any or all of the commercial cannabis business permits if it is determined that the applicants do not meet the standards which are established in the application requirements or further amendments to the application process or that the City Council upon further deliberation determines that the issuance of any or all commercial cannabis business permits will impact the public safety, welfare or other policy concerns which may be detrimental in the issuance of these permits.**
- (b) **Each year following the City Council's initial award of permits, if any, or at any time in the City Council's discretion, the City Council may reassess the number of commercial cannabis business permits which are authorized for issuance. The City Council in their discretion, may determine that the number of commercial cannabis permits should stay the same, decrease or be expanded.**

As such the ordinance requires the Council to adopt a resolution establishing the number and type of each business that may be established.

**Discussion:**

The Cannabis Committee consisting of Vice Mayor Acuna, Councilmember Clerici, City Attorney and the City Manager, reviewed the proposed businesses and have made a recommendation on the number and type. Following outlines that recommendation:

Number of Retail Businesses:	3
Number of Cannabis Testing Facilities:	3
Maximum Total Number of Businesses:	6

A Microbusiness will be considered a Retail Business for the purposes of this Resolution.

As noted above in the ordinance. Nothing in the ordinance or the attached resolution requires the City to approve the maximum number of businesses. It will allow the Council to approve up to that many.

The City is in the process of establishing the application process, including fees related to that process. The Planning Commission will consider the Cannabis Business Overlay Zone on December 4, 2018 and make a recommendation to the City Council. The Council will then review that recommendation and adopt an ordinance approving the Cannabis Business Overlay Zone. This process will take approximately 45 days from when Council takes their first action. Therefore it is anticipated that the process will be complete and applications can be considered in February. The application process could begin before that but the Business Overlay Zone will not be final until the middle to end of February.

**Options:**

1. Adopt the resolution approving the number of Cannabis related businesses allowed as recommended.
2. Modify the resolution recommending the number of cannabis related businesses.
3. Do not adopt the resolution at this time and give staff further direction.

**Cost:** There is no cost related to this item. Staff will bring back a cost study outlining the application cost for Council approval at a future date.

**Budget Impact:** None

**Recommendation:** Adopt a resolution approving the number of cannabis related businesses allowed in the City of Placerville in accordance with City Ordinance No. 1694



M. Cleve Morris, City Manager