



City Council Study Session

REGULATION OF CANNABIS - FOLLOW-UP #1

June 26, 2019

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



NEEDED INPUT – BIG PICTURE ISSUES

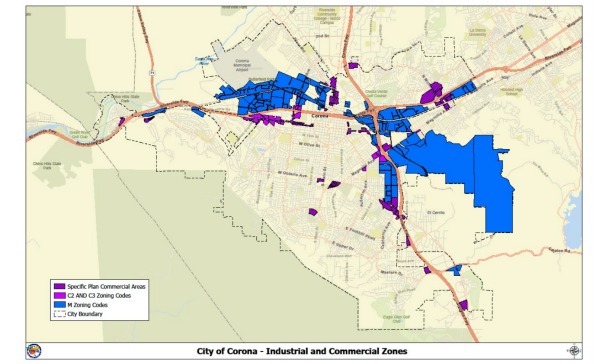
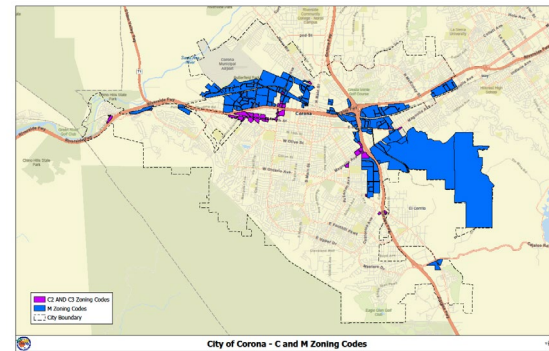
- 1. TYPES OF BUSINESSES TO ALLOW?**
- 2. WHERE TO ALLOW?**
- 3. DO WE LIMIT THE NUMBER AND - IF SO - HOW TO CALCULATE?**
- 4. LOTTERY VS. MERIT-BASED QUALIFICATION?**
- 5. ADMINISTRATIVE OR LEGISLATIVE APPROVAL PROCESS?**
- 6. TAXATION BALLOT MEASURE?**
- 7. AD HOC COMMITTEE?**

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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