

Agenda Item: ID#18-0696 (4-C)

Date: 6/14/18

FRESNO CITY COUNCIL



Supplemental Information Packet

Agenda Related Item(s) – ID#18-0696 (4-C)

Contents of Supplement: PowerPoint Presentation

Item(s)

WORKSHOP – Status of marijuana regulations and taxes

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

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FRESNO CITY CLERK

Cannabis Workshop

Resolution of Initiation

- December 14, 2017
- Council directed amendment to zoning code to allow medical cannabis operations, cultivation, manufacture, extraction, testing, distribution, delivery, and dispensaries within the City.

Director Initiation

- March 2018
- Amend zoning code to allow adult use cannabis cultivation, manufacture, extraction, testing, and distribution, but *not* retail sales or delivery.

Cannabis Process

- Cannabis Business License Tax
- Regulatory Ordinance
- Text Amendment to the Zoning Code
- Amend Cultivation Ordinance
- Continue to prohibit Public Consumption
- CEQA requirements

Cannabis Business License Tax

- **Special Tax**
 - 90% to general fund; 10% to Community Benefit Fund
- **Tax Rate**
 - Tax cultivation up to \$12 per canopy square foot annually
 - Tax other cannabis businesses up to 10% of gross receipts
- **Applies to medicinal and adult-use**

Cannabis Business License Tax

- Ballot question:
 - Shall the measure taxing cannabis cultivation up to \$12.00 per canopy square-foot annually and up to 10% of gross receipts for medical dispensaries and all other cannabis businesses; generating up to \$10 million annually; with 90% of revenues to be used for vital unrestricted general revenue purposes such as police, fire, roads and parks and 10% placed in a Community Benefit Fund for allocation by a special citizens commission, until repealed by voters, be adopted?

Regulatory Ordinance

- Separate Articles for Medicinal and Adult-Use.
 - Council may adopt one or the other, or both.
- Includes operating requirements for each type of cannabis business
 - Security Requirements approved by Fresno PD
- Lays out the procedure and requirements to obtain a Commercial Cannabis Business Permit
 - Business would need to go through the application process through City Manager's Office. Once selected for a Commercial Cannabis Business Permit, would need to apply to DARM for a Cannabis CUP. Once both obtained, operations may begin.
- Permit must be renewed annually

Regulatory Ordinance

- Cannabis Business Hub
 - Light and Heavy Industrial Districts within 1 mile of Hwy 99 and within 1 mile of Hwy 180 west of Hwy 99; Wastewater Treatment Facility if rezoned; not within 1,000 feet of:
 - Residentially zoned parcel
 - School (pre-K through 12)
 - Daycare Center
 - Youth Center (as defined in the ordinance – parks, playgrounds, facility hosting activities for minors)

Regulatory Ordinance

- Cannabis Hub
 - 4 allowed, plus one more Council defined area
 - All cultivation, distribution, and manufacturing **must** take place inside a Hub
 - Laboratory testing **may** take place in a Hub, or in a Commercial, Employment, or Downtown District

Regulatory Ordinance

- Retail

- 14 total, with 2 per Council District
 - Option to add 7 more by Council Resolution
- Only 7 allowed in first year; after 9 months, 7 more may begin permit process if PD and CMO can manage
- DTN (Downtown Neighborhood), DTG (Downtown General), CMS (Commercial Main Street), CC (Commercial Community), CR (Commercial Regional), CG (Commercial General), CH (Commercial Highway) and 800 feet from:
 - A medicinal cannabis retail business
 - School (pre-K through 12)
 - Daycare Center
 - Youth Center (as defined in the ordinance – parks, playgrounds, facility hosting activities for minors)
- 9am-9pm hours of operation
- Delivery allowed if part of store-front operation

Zoning Ordinance

- Mirrors Regulatory Ordinance
- Outlines Cannabis CUP requirements
- Contains Design Guidelines for cannabis businesses