



Office of the City Manager

SUPPLEMENTAL AGENDA MATERIAL

Meeting Date: March 20, 2018

Item Number: 2

Item Description: Draft Cannabis Regulations and Cannabis Business Selection Process

Supplemental/Revision Submitted By: Timothy Burroughs, Interim Director, Planning and Development Dept.

“Good of the City” Analysis:

The analysis below must demonstrate how accepting this supplement/revision is for the “good of the City” and outweighs the lack of time for citizen review or evaluation by the Council.

As described in the main staff report, at the time the staff report was submitted, City Commissions were continuing their discussions on the draft cannabis regulations. The attached comparison matrix presents the recommendations to date of the Planning and Cannabis Commissions (alongside staff’s recommendations) to help inform City Council’s considerations of the draft cannabis regulations.

Consideration of supplemental or revised agenda material is subject to approval by a two-thirds roll call vote of the City Council. (BMC 2.06.070)

A minimum of **42 copies** must be submitted to the City Clerk for distribution at the Council meeting. This completed cover page must accompany every copy.

Copies of the supplemental/revised agenda material may be delivered to the City Clerk Department by 12:00 p.m. the day of the meeting. Copies that are ready after 12:00 p.m. must be delivered directly to the City Clerk at Council Chambers prior to the start of the meeting.

Supplements or Revisions submitted pursuant to BMC § 2.06.070 may only be revisions of the original report included in the Agenda Packet.

Commission Recommendations on Proposed Cannabis Regulations

Topic	Subtopic	Staff Proposed Regulations (Ordinance)	Cannabis Commission (5 mtgs, see dates below)	Planning Commission (2-21-18)	Community Health Commission (recommendations expected 3-22-18)
Retail: Medicinal Use	Location	All C-prefixed Districts (ZO 23C.25.010.F)	Agree with staff (3-15-18)	Agree with staff	
	Quota limit	Quota by zoning district, (32 suggested in March Cannabis Comm mtgs) (ZO 23C.25.010.F)	No quota requirement (2-1-18) (Recommended limit of 32 in selection process discussion – 3-1-18)	Quota by zoning district, limited to 18. But requested Council to refer back to PC consideration of quotas for methods of distribution.	
	Buffer	600' from schools and other cannabis Retailers (ZO 23C.25.010.B)	Agree with staff and interested in creating different buffers for businesses selling non-smokable products (2-1-18, 3-15-18)	Agree with staff. But requested Council to refer back to PC consideration of buffers for methods of distribution.	
	Security	Same, with addition that any State requirements that are stricter will apply (BMC 12.21.040.G)	Agree with staff (2-1-18)		
	On-site consumption	Language clarified to specifically allow non-combustible consumption at Retailers which allow customer visits. Removed language about smoking of cannabis within 50 feet of a Retailer (BMC 12.21.040.I and 12.22.040.G)	Agree with staff (3-15-18)		

Commission Recommendations on Proposed Cannabis Regulations

Topic	Subtopic	Staff Proposed Regulations (Ordinance)	Cannabis Commission (5 mtgs, see dates below)	Planning Commission (2-21-18)	Community Health Commission (recommendations expected 3-22-18)
	Level of discretion	ZC and possible selection process	Agree with staff (3-15-18)	Agree with staff. But requested Council to refer back to PC consideration of buffers for methods of distribution.	
	Selection process	TBD, see Selection Process section (under Other topic)	Agree with staff (3-15-18)		
	Delivery regulations	Same delivery regulations as for delivery-only dispensaries (BMC 12.22.040.H)	Agree with staff (3-15-18)		
Retail: Adult Use (No current regs. Proposed regs same as medicinal, except as shown)	Location	All C-prefixed districts (ZO 23C.25.010.G)	Agree with staff (3-15-18)	Agree with staff	
	Quota limit	Quota by zoning district, number not defined (Included in Medicinal Retailer quota) (ZO 23C.25.010.G)	No quota (2-1-18) (Recommended limit of 32 in selection process discussion – 3-1-18)	Quota by zoning district, limited to 12 (not included with Medicinal Retailer quota). See request regarding quotas under Medicinal Retailers.	
	Level of discretion	ZC and possible selection process	Agree with staff (3-15-18)	Agree with staff. See request regarding levels of discretion under Medicinal Retailers.	
Retail: Delivery-only	Location	All C-prefixed districts (not on ground floor)	Agree with staff (3-15-18)	Agree with staff	

Commission Recommendations on Proposed Cannabis Regulations

Topic	Subtopic	Staff Proposed Regulations (Ordinance)	Cannabis Commission (5 mtgs, see dates below)	Planning Commission (2-21-18)	Community Health Commission (recommendations expected 3-22-18)
("Existing regs" are those proposed by Cann Comm and Planning Comm)		adjacent to street frontage) and in M-prefixed districts as an ancillary use to another cannabis business (recommended by staff) (ZO 23C.25.010.H.2)			
	Quota limit	None (ZO 23C.25.010.H.1)	No quota (agrees with current staff recommendation) (2-1-18)	10 or greater (staff's recommendation at time of meeting)	
	Buffer	600' from schools and other cannabis Retailers (ZO 23C.25.010.B)	300' from schools, no buffer from other Retailers (2-1-18)	Agree with staff	
	Level of discretion	ZC and possible selection process	Agree with staff (3-15-18)	Agree with staff	
	Selection process	Same selection process as other Retailers	Agree with staff (3-15-18)		
Delivery-specific requirements		Same, but deliveries can only be to a residence. Regulations will apply to any Retailer making deliveries to patients. (BMC 12.22.040.H)	Agree with staff (3-15-18)		

Commission Recommendations on Proposed Cannabis Regulations

Topic	Subtopic	Staff Proposed Regulations (Ordinance)	Cannabis Commission (5 mtgs, see dates below)	Planning Commission (2-21-18)	Community Health Commission (recommendations expected 3-22-18)
Cultivation	Location	M District (ZO 23C.25.020.A)	All M-prefixed districts with a ZC, and in other districts on a case-by-case basis for equity or pre-existing businesses (2-22-18)	Agree with staff	
	Size	Same maximum size, but measured by canopy area (ZO 23C.25.020.A.3)	Agree with staff (2-22-18)		
	Quota limit	180,000 sf cap still applies. Numeric limit of 6 for businesses between 10,001 sf and 22,000 sf. No numeric limit for businesses under 10,000 sf, but 180,000 cap applies (ZO 23C.25.020.A.4, 5 and 6)	Agree with staff (2-22-18)	Agree with staff	
	Buffer	300' away from schools with K-12 students (ZO 23C.25.020.C)	Agree with staff (2-22-18)	Agree with staff	
	Security	Same, with addition that any State requirements that are stricter will apply (BMC 12.21.040.G)	Agree with staff, except remove requirement for security guards (3-15-18)		
	On-site consumption	Same, except remove BMC 12.25.050.G.4 (BMC 12.21.040.I and 12.22.040.G)	Agree with staff (2-22-18)		

Commission Recommendations on Proposed Cannabis Regulations

	Level of discretion	ZC and selection process if large cultivator	Agree with staff (3-15-18)	Agree with staff	
	Selection process	Yes for cultivators 10,000 of canopy area or greater. No selection process for smaller cultivators.	Agree with staff (3-15-18)		
	Nurseries	Businesses applying for a State Nursery permit must obtain the specific permits required for cultivation use at the site. (BMC 12.21.020 (definition))	Recommendation expected in April	Agree with staff. Rec Council refer back to PC to allow incidental cannabis sales of clones and seed at existing ornamental nurseries.	

Commission Recommendations on Proposed Cannabis Regulations

Topic	Subtopic	Staff Proposed Regulations (Ordinance)	Cannabis Commission (5 mtgs, see dates below)	Planning Commission (2-21-18)	Community Health Commission (recommendations expected 3-22-18)
Manufacturing	Location	Same (ZO 23C.25.030)	Recommendation expected in April	Agree with staff	
	Quota limit	Same (not mentioned)	Recommendation expected in April	Agree with staff	
	Buffer	300' away from schools with K-12 students (ZO 23C.25.020.B)	Recommendation expected in April	Agree with staff	
	Security	Same as dispensaries, cultivators and distributors for security, lighting, alarm system, storage of product and cash. No local requirement for guards and cameras. (BMC 12.21.040.G)	Agree with staff, except remove requirement for security guards (3-15-18)		
	On-site consumption	Remove BMC 12.25.050.G.4 (BMC 12.21.040.I and 12.22.040.G)	Recommendation expected in April		
	Level of discretion	ZC	Recommendation expected in April	Agree with staff	
Testing (same as Manufacturing, except as shown)	Location, changing location, expansion	Same (ZO 23C.25.030)	Remove requirement for security guards (3-15-18). Additional recommendations expected in April.	Agree with staff	
Distributor (same as	Security	Same as Retailer and Cultivator (BMC 12.21.040.G)	Agree with staff, except remove requirement for		

Commission Recommendations on Proposed Cannabis Regulations

Manufacturing, except as shown)			security guards (3-15-18)		
	Location, changing location expansion	Same as non-cannabis Wholesale Use (ZO 23C.25.030)	Recommendation expected in April	Agree with staff	
Microbusiness		No specific microbusiness license – business could operate as microbusinesses subject to meeting the requirements of each activity conducted on the premises	Agree with staff (3-15-18)		

Commission Recommendations on Proposed Cannabis Regulations

Topic	Subtopic	Staff Proposed Regulations (Ordinance)	Cannabis Commission (5 mtgs, see dates below)	Planning Commission (2-21-18)	Community Health Commission (recommendations expected 3-22-18)
General for all businesses	New definitions	Added new definitions to address new State regulations (BMC 12.21.020)	Agree with staff (3-15-18)		
	Revised definitions	Revised definitions to address new State regulations (BMC 12.21.020)	Agree with staff (3-15-18)		
	Patient requirements and physician recommendations	Remove references to membership requirements, including BMC 12.23.030.B and D, and 12.27.050.D (BMC 12.21.040)	Agree with staff (3-15-18)		
	Ownership/profit status	Removed both requirements	Agree with staff (3-15-18)		
	Background checks	Removed requirement – defer to State.	Agree with staff (3-15-18)		
	Odor control	Odor control plan language added (BMC 12.21.040.E)	Agree with staff (3-15-18)		
	Non-diversion plan	Expanded to all Cannabis Businesses (BMC 12.21.040.F)	Agree with staff (3-15-18)		
	Neighborhood compatibility	Expanded to all Cannabis Businesses, with no requirements for guards at Manufacturers and Testing Labs. Retailers shall provide Police and nearby	Agree with staff (3-15-18)		

Commission Recommendations on Proposed Cannabis Regulations

Topic	Subtopic	Staff Proposed Regulations (Ordinance)	Cannabis Commission (5 mtgs, see dates below)	Planning Commission (2-21-18)	Community Health Commission (recommendations expected 3-22-18)
		residents contact information for the business. Remove hours of operations for Dispensaries. (BMC 12.21.040.H)			
	Security	Expanded to all Cannabis Businesses, with no requirements for guards and bars on windows at Manufacturers and Testing Labs (BMC 12.21.040.G)	Agree with staff (3-15-18)		
	Sale/consumption of tobacco and alcohol	Not permitted at any Cannabis Business (BMC 12.21.040.I)	Agree with staff (3-15-18)		
	Consumption of cannabis by patients	Add language about consumption being prohibited in public places. Remove language about smoking prohibition within 50' of Dispensaries (BMC 12.21.040.I, 12.22.040.G)	Agree with staff (3-15-18)		
	Accessibility	Same; add language that expansions of existing businesses must meet ADA requirements (BMC 12.22.040.E)	Agree with staff (3-15-18)		
	Exterior signage	Allow for customer-serving retail at half of amount allowed per other retail	Agree with staff (3-15-18)		

Commission Recommendations on Proposed Cannabis Regulations

Topic	Subtopic	Staff Proposed Regulations (Ordinance)	Cannabis Commission (5 mtgs, see dates below)	Planning Commission (2-21-18)	Community Health Commission (recommendations expected 3-22-18)
		requirements; delivery-only Retail subject to Business complex sign standards; limit other non-customer businesses to 12 square feet (BMC 12.21.040.J, 20.40)			
	Records/reporting requirements	Expanded to all cannabis businesses. Removed reference to not-for-profit status, and reporting of convictions. (BMC 12.21.050)	Agree with staff (3-15-18)		
	Ranking and Allocation	Expanded to all Retailers and Major Cultivators. Minor changes to language. (BMC 12.22.020)	Agree with staff (3-15-18)		
	Confidentiality of information	Same, but remove language regarding Medical membership records (BMC 12.21.070)	Agree with staff (3-15-18)		
	Authority of City Manager	Added subsection to allow City Manager to require businesses to obtain operating permits from Fire, Toxics and other divisions as necessary to ensure public safety. (BMC 12.21.080, 12.22.160)	Agree with staff (3-15-18)		

Commission Recommendations on Proposed Cannabis Regulations

Topic	Subtopic	Staff Proposed Regulations (Ordinance)	Cannabis Commission (5 mtgs, see dates below)	Planning Commission (2-21-18)	Community Health Commission (recommendations expected 3-22-18)
	Abatement of violations	Same (BMC 12.21.090)	Agree with staff (3-15-18)		
	Fees	Same (BMC 12.21.100 12.22.150)	Agree with staff (3-15-18)		
	Severability	Same (BMC 12.21.110, 12.22.170)	Agree with staff (3-15-18)		
Other			Agree with staff (3-15-18)		
	Use tables	Cannabis uses shown in use tables (Non-Residential District Uses Tables in the ZO)	Agree with staff (3-15-18)		
	Growing in backyards	Not mentioned, allowed per State law	Agree with staff (3-15-18)		
	Billboards	Prohibited	Agree with staff (3-15-18)		
	Lounges	Staff recommends considering the use a Retail (storefront) use, which would need a Retailer license (BMC 12.22.040.G)	Agree with staff (3-15-18)		
	Temporary events	Prohibited (BMC 12.22.100)	Agree with staff (3-15-18)		
	Residential collectives	Prohibited after 1-9-19 per State. Can continue until that time under existing residential collective	Agree with staff (3-15-18)		

Commission Recommendations on Proposed Cannabis Regulations

Topic	Subtopic	Staff Proposed Regulations (Ordinance)	Cannabis Commission (5 mtgs, see dates below)	Planning Commission (2-21-18)	Community Health Commission (recommendations expected 3-22-18)
		regulations(BMC 12.22.120-140)			
	Selection Process (equity, community benefit requirements, etc.)	No recommendation. Provided options for quotas by zoning districts, no selection process or lottery selection, modify buffers if no selection process, releasing quota slots in batches, allocate first slots to equity candidates, create an Equity Fund.	Create process for store front Retailers and large Cultivators that allocates half the slots to equity businesses, with lottery process to select candidates. Equity businesses defined as businesses owned by a majority (51%) of persons who have been impacted (directly or generationally) by War on Drugs (history of cannabis or cannabis-related convictions/citations), with some consideration given for low-income status. Create Equity Fund to support equity businesses.		
Not-for-profit		Only collectives must operate on a not-for-	Agree with staff (3-15-18)		

Commission Recommendations on Proposed Cannabis Regulations

Topic	Subtopic	Staff Proposed Regulations (Ordinance)	Cannabis Commission (5 mtgs, see dates below)	Planning Commission (2-21-18)	Community Health Commission (recommendations expected 3-22-18)
		profit basis. (12.22.130.D)			
Operating Permit		Operating permits for all cannabis businesses may be required by the City Manager (12.21.080.C and 12.22.160.C)	Agree with staff (3-15-18)		