



Office of the City Manager

November 9, 2018

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Subject: Cannabis: Next steps following October 9, 2018 work session

On October 9, 2018, the Council held a work session related to draft cannabis ordinances. The Council requested that staff prioritize adoption of adult use licenses for new cannabis businesses and create a path to approve conversion of existing nurseries into cannabis retail nurseries. This memo provides the status of the two prioritized items and the next steps for cannabis ordinances.

**Adult use licenses for new cannabis businesses:** On September 13, 2018, the Council approved changes that allow cannabis distributors and small cultivators to operate in Berkeley. These changes included new and revised definitions as considered by the Cannabis, Planning and Community Health Commissions. The new definitions removed references to 'medical cannabis' and replaced it with 'cannabis' in order to conform to State regulations. In effect, this change allowed all cannabis businesses, existing and new, to choose to operate as a medicinal business, an adult use business, or both. Therefore, as of October 31, 2018, when the distributors and small cultivator ordinances came into effect, all new and existing cannabis businesses that are currently allowed in Berkeley can apply for adult use business licenses.

**Retail nurseries:** Staff has developed draft ordinance language which would allow up to two of the eight existing nurseries in Berkeley to convert to a cannabis nursery with retail sales. This type of business would be called a Retail Nursery Microbusiness (RNM). This language will be considered by the Cannabis, Planning, and Community Health Commissions in late 2018 and will be folded into other cannabis ordinance language going to Council in early 2019 (see below).

**Next steps for completing Berkeley's cannabis ordinances:** Staff will bring forward draft cannabis ordinance language to Council in two separate meetings in 2019.

The first meeting is proposed for January 2019 and will focus on issues for which staff has already received direction from Council and previous commission review. The draft language presented by staff will also restructure the cannabis ordinance for clarity, removing obsolete language and applying general regulations to all cannabis businesses. The changes will include:

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Re: Cannabis next steps following October 9, 2018 work session

- Relocating and consolidating text within the ordinance for clarity and ease of use;
- Advertising and signage regulations for cannabis businesses;
- Language for Retail Nursery Microbusinesses;
- Recommendations for quotas for retail cannabis businesses; and
- Revised retail buffers requirements (include a 600' buffer around six youth centers and increase the buffer around middle and high schools from 600' to 1,000').

Additional issues requiring further commission consideration and/or staff analysis will be presented for Council consideration in spring 2019. These include:

- Regulations for delivery-only businesses;
- Options for integrating equity considerations into cannabis business selection processes;
- Consideration of cannabis lounges;
- Consideration of special events specifically involving cannabis products, such as music festivals, judging events, and conventions;
- Consideration of buffers for non-retail cannabis businesses;
- Consideration of expansion of cultivation use outside the Manufacturing (M) District;
- Further consideration of Community Health Commission recommendations designed to address public health concerns related to cannabis.

Per Council direction, staff looks forward to moving expeditiously to provide clear rules and regulations for cannabis businesses that also address community questions and concerns. Please contact Timothy Burroughs, Director of the Department of Planning & Development, if you have any questions.

cc: Paul Buddenhagen, Interim Deputy City Manager  
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