

REPORT TO THE CITY COUNCIL



DATE: June 5, 2018

TITLE: Cannabis Study Session Discussion Points

Prepared by: Luke Rainey, Deputy City Manager

RECOMMENDATION

Discuss and provide direction to Staff.

DISCUSSION

The purpose of this Study Session is to allow for the City Council to hear and consider issues relating to the City's cannabis related activities. Over the past several months, various stakeholders in the cannabis industry have inquired about issues relating to zoning and whether or not certain activities, such as consumption, will become permitted in the future. Additionally, some developers have specific needs likely requiring City Council direction.

The following is a short list of items which have received strong interest:

1) Zoning for Testing Facilities

Currently, testing facilities are conditionally permitted in the Industrial zone. Industrial zone land values are much higher than many areas in the Commercial zone, due to the demand created by cannabis cultivation businesses. Stakeholders have asked for consideration on allowing cannabis testing facilities in the Commercial zone. Testing facilities work similarly to testing laboratories in the health care sector. Allowing for testing facilities in the Commercial zone is a strategy that can increase the City's economic development opportunities.

2) Consumption

Cannabis consumption is a topic that has been discussed under various scenarios. For example, the City of Palm Springs allows for cannabis lounge businesses. Locally, cultivators have inquired about providing sampling or tasting on their premises. Sampling descriptions have been described in ways similar to that of wineries that provide tasting samples to their guests and customers.

3) Special Dispensary Licenses

Due to the current limit on the number of dispensary permits, businesses have inquired about possible methods of obtaining permits for limited dispensary activities. For example, a hotel might sell cannabis related products onsite to their guests.

FISCAL IMPACT

Unknown.

EXHIBIT(S):

None.