



City of
San Leandro
**CONSIDERATION OF
CANNABIS ORDINANCE
REVISIONS & PERMIT AWARD**

City Council meeting
May 19, 2025

OVERVIEW

- Background
- Overview of approved locations
- Overview of dispensary operators
- Recommendation
- Q&A

Relevant City Council Priority



BACKGROUND

- Oct. 2010: Council adopts interim ban on cannabis businesses, extended in 2011 & 2012
- Feb. 12, 2013: Town Hall meeting to discuss medicinal cannabis policy
- Dec. 16, 2013: Council approves cannabis dispensary ordinance
 - Established local dual-license structure with operating permit from City Council + CUP from Board of Zoning
 - Initially established a limit of 1 permit, later modified to allow 2nd and 3rd permits
 - Ordinance referenced possibility of future additional permits
- Dec. 15, 2014: RFP released for parties interested in serving as dispensary operator
- Sept. 8, 2015: Council awards 1st permit to Harborside San Leandro
- July 18, 2016: Council awards 2nd permit to Davis St. Wellness Ctr. (now d.b.a. NUG Wellness)
- Oct. 17, 2016: Council awards 3rd dispensary permit to Blum San Leandro
- Nov. 8, 2016: San Leandro voters authorize Measure NN (passage rate: ~75%)
State voters authorize adult use via Proposition 64
(passage rate of Prop. 64 in San Leandro: ~60%)
- 2017 & 2018: BZA issues CUPs for dispensaries at three locations
- 2019: All three dispensaries open doors for business
- Present day: Dispensaries contribute approx. \$1M in annual gross receipts taxes to the City



BOARD OF ZONING ADJUSTMENTS*

CUP-APPROVED LOCATIONS**

- 1965 Marina Blvd., unit C
 - Harborside San Leandro
- 3089 Teagarden Street
 - NUG (formerly Davis St. Wellness Ctr.)
- 1911 Fairway Drive
 - Blum San Leandro

* BZA now reconstituted as Planning Commission/Board of Zoning Adjustments (PC/BZA)

** Validity of CUPs not affected by changes in ownership



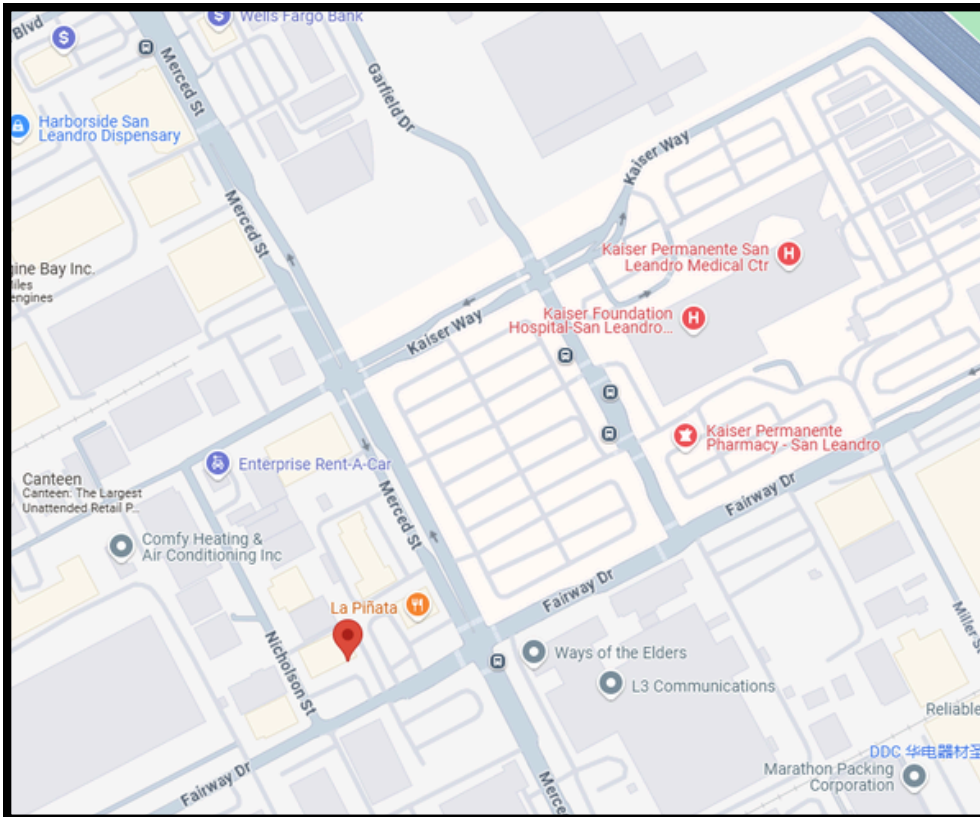


1911 Fairway Drive

- Feb 1, 2018: BZA awards CUP for this location
- Jan. 11, 2019: Blum hosts Grand Opening ribbon cutting event
- Mid 2022: Dispensary use ceases operations for several months
- Nov. 22, 2022: Blum dispensary re-opens for business
- Dec. 31, 2024: Dispensary ends operations at this site

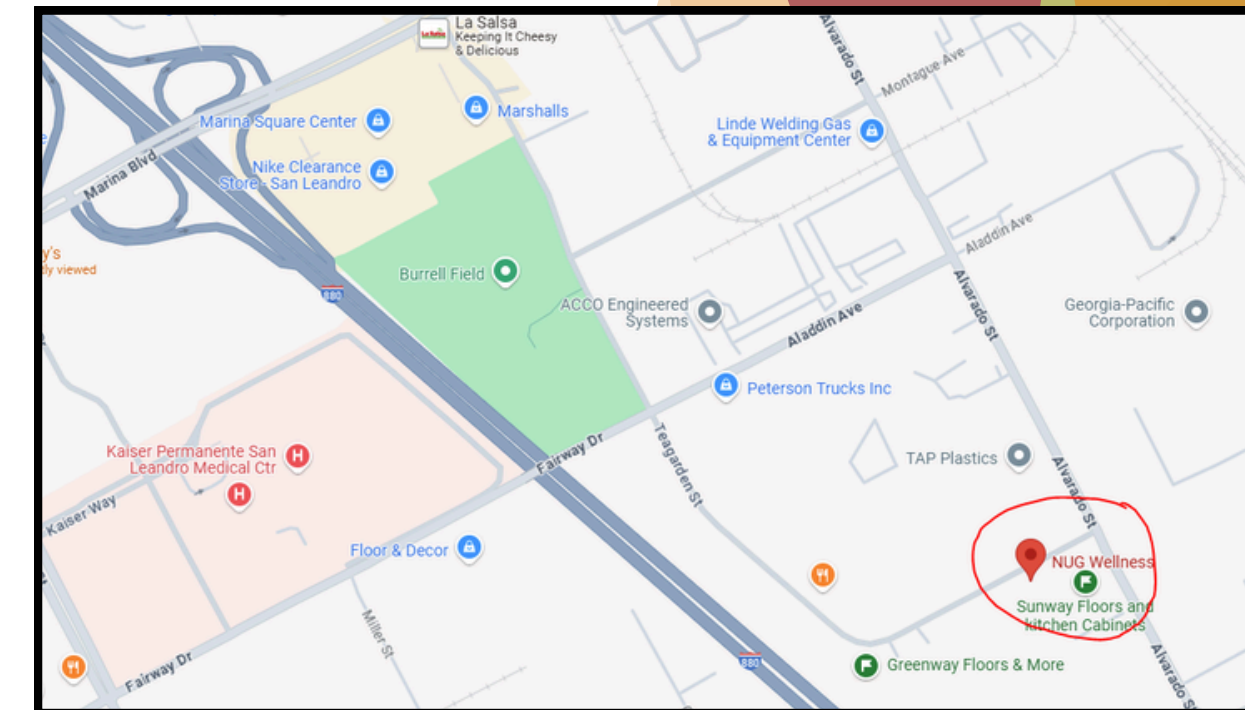
CUP eligible for revocation at noticed public hearing by PC/BZA if use ceases for 180 days

CUP for a cannabis dispensary at the site remains valid until 6/30/2025



OVERVIEW OF NUG WELLNESS

- July 18, 2016: City Council awards 2nd operating permit to Davis St Wellness Ctr (Now NUG)
 - Nov. 2, 2017: BZA awards CUP for dispensary at 3089 Teagarden Drive
 - 2019: Teagarden dispensary opens for business
 - 2020-present: NUG opens dispensaries in other cities, including: Sacramento, Oakland, Alameda, El Cerrito, and Yonkers, NY
 - Dec. 2024: NUG secures lease for the 1911 Fairway facility (former site of Blum)
 - Today: NUG is seeking Council approval to open a second retail store at 1911 Fairway, via issuance of a fourth dispensary permit
- 1911 Fairway site would serve as a satellite “express” store focused on filling online orders
- Original 3089 Teagarden Drive location would remain as primary dispensary focused on “in-store” customer experience
- Proposed store would fully comply with existing CUP and conditions of approval
- Proposed store would be subject to local gross receipts tax



BLUM SAN LEANDRO – STATUS

- Blum San Leandro does not retain possession of an approved location
- Blum San Leandro retains a valid dispensary operating permit
 - Blum's 2025 annual license fee + prior year gross receipts taxes are paid
 - Operating permits are eligible for suspension or revocation 180 days after the use ceases
 - Blum operating permit is eligible for suspension or revocation after 6/30/2025
- Blum has indicated they entered into tentative sale agreement with another cannabis operator with licensed dispensaries in other jurisdictions
- Blum is seeking new location at a zoning-compliant site
- Any new dispensary location would require a new CUP
 - CUP would be subject to discretionary review, including neighborhood notification and public hearing before BZA/PC



Recommendation

Consider the following actions:

- Conduct first reading of ordinance to:
 - Allow 4th operating permit
- Approve resolution awarding 4th permit to DSWC II, Inc. (dba NUG Wellness)



Questions?