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Attachments: 1. Amended MMJ Ordinance September 2016_Track Changes.pdf

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Staff Report for Amendments to the Medical Cannabis Dispensary Ordinance to Facilitate the Issuance of a Third Dispensary Permit

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council review and consider for adoption the proposed amendments to the City’s Medical Cannabis Dispensary Ordinance. The proposed changes are designed to achieve the following goals: 1) to allow a third dispensary permit to be awarded by the City Council; and 2) to eliminate the requirement that dispensaries be located at least 1,000 feet from another dispensary.

BACKGROUND & ANALYSIS

Following extensive dialogue with the community and numerous City Council discussions, on December 16, 2013, the City Council approved a medical cannabis dispensary ordinance to facilitate the approval, regulation and operation of medical cannabis dispensaries in San Leandro. Contained within that ordinance was Section 4-33-200(c), which stated: “The City shall issue no more than one (1) valid permit for the operation of dispensaries in the City.” On September 8, 2015, the City Council subsequently awarded the City’s first dispensary permit to Harborside San Leandro (HSL).

Based upon subsequent direction provided at the December 21, 2015 and February 16, 2016 regular meetings, the City Council on June 6, 2016 adopted an amendment to the ordinance to allow the award of a second dispensary permit. As part of that action, the Council also adopted various other changes to align the ordinance with the Medical Marijuana Regulation and Safety Act (MMRSA), and incorporate suggestions from the first permit awardee that would better support the smooth operation of dispensaries once they open their doors to patients, along with various other changes designed to ensure best practices.

Following an application vetting process, the City Council issued the City's second medical cannabis dispensary permit on July 18, 2016 to the Davis Street Wellness Center.

At the September 6, 2016 City Council meeting, the City Council directed staff to bring back for the Council's consideration further modifications to the City's adopted medical cannabis dispensary ordinance in order to: 1) allow the issuance of a third dispensary permit, and 2) to eliminate the requirement that any dispensary be located at least 1,000 feet from another dispensary. A modified version of the ordinance showing those changes is attached to this staff report. Should the City Council decide to adopt the modified ordinance, staff will return to the City Council on October 17, 2016 with follow-up recommendations regarding the award of the third dispensary permit.

As part of its action on September 6th, the Council will also examine a potential condition of approval on the third dispensary permit that would prohibit the dispensing of cannabis prior to June 1, 2017. Should the Council wish to impose such a requirement, staff will ensure that it is included as a draft condition of approval within the recommended draft permit that is presented for the Council's consideration on October 17, 2016.

ATTACHMENT

- Draft Amended Dispensary Ordinance Showing Track Changes

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