



Legislation Details (With Text)

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| <b>Enactment date:</b> |  | <b>Enactment #:</b>  |   | <b>Title:</b>       | Staff Report for Amendments to the Medical Cannabis Dispensary Ordinance |
| <b>Sponsors:</b>       | City Council   |                      |   |                     |  |
| <b>Indexes:</b>        |  |                      |   |                     |  |
| <b>Code sections:</b>  |  |                      |   |                     |  |
| <b>Attachments:</b>    | 1. Amended MMJ Ordinance June 2016_Track Changes.pdf |                      |   |                     |  |

| Date     | Ver. | Action By    | Action             | Result |
|----------|------|--------------|--------------------|--------|
| 6/6/2016 | 1    | City Council | Received and Filed |        |

Staff Report for Amendments to the Medical Cannabis Dispensary Ordinance

**SUMMARY AND RECOMMENDATIONS**

Staff recommends that the City Council review and adopt 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 second dispensary permit to be awarded by the City Council; 2) to align the City’s local ordinance with the Medical Marijuana Regulation and Safety Act; and 3) to incorporate minor amendments to facilitate industry best practices as well as requests from the first dispensary permit awardee to ensure the smooth operation and effective local regulation of dispensary facilities.

**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 states: “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 City Council direction provided at its December 21, 2015 meeting, on February 16, 2016, staff brought forward for the Council’s consideration proposed amendments to the ordinance that would be necessary to facilitate the award of a second dispensary permit. Staff also recommended various other technical changes to the ordinance that were identified by the City Manager’s stakeholder team in order to ensure best practices. At that meeting, the City Council voted to continue the item to a future meeting, and directed staff to work with HSL and incorporate their feedback into the proposed amendments. Since that time, City staff has worked collaboratively with HSL and identified a number of additional ordinance amendments. The proposed amendments

are designed not only to align the local City ordinance with new statewide regulations, known as the Medical Marijuana Regulation and Safety Act (MMRSA), but also to incorporate suggestions from the applicants that would better support the smooth operation of the dispensary once it opens its doors to patients. These requests have been vetted and/or modified by the City Manager's stakeholder team, and include feedback from the Police Department. Highlights of those proposed changes that affect substantive policy provisions contained within the ordinance are outlined below:

**Section 4-33-200(c): Allows for the issuance of up to two dispensary permits**

**Section 4-33-200(d)(2): Eliminates requirements for dispensaries to operate as a collective or cooperative**

The new statewide regulatory framework that was established by MMRSA intentionally phases out collectives and cooperatives as they exist today, and instead allows dispensaries and other cannabis-related businesses to operate on a for-profit basis. As such, the proposed amendments would align San Leandro's local ordinance with this new statewide framework. It is anticipated that these changes will not demonstrably affect the *Community Benefits and Financial Contributions to the City's General Fund* that were incorporated as conditions of approval in the first dispensary permit that was already awarded.

**Section 4-33-500(a)(7): Hours of Operation**

The adopted ordinance currently limits the hours of operation of dispensaries from 9:00am - 7:00pm. HSL has requested that these hours be extended to 8:00 pm in order to better serve the working public. In comparison, the pharmacy at Kaiser Permanente's San Leandro campus is typically open 24 hours per day and San Leandro Hospital's in-patient pharmacy operates between the hours of 7:00 am-10:00 pm daily. The pharmacy counter at the CVS located in Downtown San Leandro's Village Shopping Center is open from 8:00 am - 9:00 pm Monday-Friday, and 9:00 am - 6:00 pm Saturday & Sunday.

**Section 4-33-500(e)(1): Signage**

The adopted ordinance currently limits the size of any signage for the dispensary to one wall sign not to exceed 10 square feet and one identifying sign not to exceed two square feet. The recommended amendments would instead apply the same size limitations on signage that would be imposed on any other property under similar commercial or industrial zoning, which limits signage to 2 square feet per lineal foot of frontage up to 55 feet of frontage, or 15 times the square root of frontage for sites with more than 55 feet of frontage.

**ATTACHMENT**

- Draft Amended Dispensary Ordinance Showing Track Changes

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