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Title: Staff Report for a City of San Leandro City Council Ordinance for Amendments to the Medical Cannabis Dispensary Ordinance (4-37) and to the Permitted Commercial Cannabis Activities Ordinance (4-39) to Facilitate Adult Use Sales and to Establish a Time Limitation for Commencement of Operations

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Attachments: 1. +RED LINE Draft Amendments to Sec 4-33 and 4-38 to Allow Adult Use Sales_March 2019

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Staff Report for a City of San Leandro City Council Ordinance for Amendments to the Medical Cannabis Dispensary Ordinance (4-37) and to the Permitted Commercial Cannabis Activities Ordinance (4-39) to Facilitate Adult Use Sales and to Establish a Time Limitation for Commencement of Operations

SUMMARY AND RECOMMENDATIONS

Consistent with the City Council’s policy direction that was provided at the February 19, 2019 City Council meeting, staff recommends that the City Council review and adopt the proposed amendments to the City’s Cannabis Dispensary Ordinances. The proposed changes are designed to: 1) allow the City’s three previously permitted dispensaries to conduct retail sales of cannabis for adult use; and 2) establish a December 31, 2019 deadline for dispensaries to commence operations and begin serving customers; failure to meet this deadline would result in automatic revocation, without prejudice or recourse, of a dispensary’s City issued operating permit. Without such a permit, notwithstanding whether a dispensary has a valid State issued permit, it may not legally operate in San Leandro.

BACKGROUND & ANALYSIS

At the February 19, 2019 City Council meeting, the City Council directed staff to bring forward proposed amendments to the City’s adopted cannabis dispensary ordinance and permitted commercial cannabis activity ordinance that would facilitate sales of cannabis for adult use at the City’s three previously permitted dispensaries.

The City Council also directed staff to incorporate into the authorizing resolution language that would concurrently impose a time limit, or “shot clock” that would automatically rescind the operating permit

of any previously permitted dispensary that fails to commence operations prior to December 31, 2019.

Based on the above direction, a related draft ordinance has been included in the agenda packet that would incorporate the following changes:

- *Amend title of Chapter 4-33 to reflect medical and adult use of cannabis dispensaries*
- *Amend Sections in 4-33-100 “Definitions” to reflect that cannabis dispensaries may dispense cannabis for adult use*
- *Amend Chapter 4-38 throughout, “Permitted Cannabis Commercial Activity,” to reflect dispensing of cannabis for adult use as a permitted cannabis commercial activity within the City.*
- *Amend Section 4-33-200(c) to reflect that the three dispensary permits must commence operations no later than December 31, 2019. Failure to do so will result in dispensary’s operating permit being automatically and unconditionally revoked.*

ATTACHMENT

- Draft Amended Dispensary Ordinance Showing Track Changes

PREPARED BY: Eric Engelbart, Deputy City Manager, City Manager’s Office