



Legislation Text

File #: 16-540, **Version:** 1

Staff Report for an Urgency Ordinance to Amend the San Leandro Municipal Code to Prohibit the Issuance of Additional Medical Cannabis Dispensary Permits or Land Use Approvals

RECOMMENDATION

Per the direction of the City Council provided at its October 3, 2016 regular meeting, staff presents for the Council's consideration an urgency ordinance to prohibit the issuance of any additional medical cannabis dispensary permits or related land use approvals beyond the issuance of three that would facilitate the operation of additional retail medical cannabis dispensaries in San Leandro.

BACKGROUND AND ANALYSIS

The City Council adopted a medical cannabis dispensary ordinance that allows for the issuance of up to three medical cannabis dispensary permits. As of the date of this staff report, the City Council has already issued two such permits. The issuance of the third dispensary permit is also scheduled for consideration by the Council at tonight's meeting. Given that none of these permit awardees have commenced operations, coupled with the rapidly evolving legal and regulatory environment at the state and federal level, the City Council is interested in pausing the issuance of any further retail medical cannabis dispensary permits. Such a pause will allow additional time for the first three dispensaries to finalize any outstanding permitting and entitlements and begin their operations, and allow sufficient time for the City to carefully monitor and regulate their operations once they begin dispensing medical cannabis to patients. A pause in the issuance of additional dispensary permits will also allow additional time for the City Council and City staff to closely monitor the status of various legislative and regulatory changes that are under discussion at the state and federal level and/or which may be considered by the electorate as part of the upcoming November 2016 election.

The adoption of this Urgency Ordinance is designed to formally codify the City Council's desire to temporarily prohibit the award of any additional retail medical cannabis dispensary permits or related land use approvals by the City. An urgency ordinance, which is permitted under California Government Code section 36937, is appropriate in this instance. An urgency ordinance must be passed by a 4/5 vote of the City Council (i.e. by 6 affirmative votes). If passed, it goes into effect immediately. It should also be noted that this ordinance would not preclude the first three cannabis dispensary permit awardees from continuing to finalize their development and business plans, conclude any efforts to secure outstanding entitlements, and commence operations. Additionally, this ordinance would apply only to the issuance of retail medical cannabis dispensary permits and would not preclude the City Council from further exploring the possibility of allowing other non-retail cannabis-related businesses to operate in the City in the future (e.g. cannabis product or medicine manufacturing, laboratory testing, extraction or bakery facilities that do not involve retail distribution).

Article XI, Section 7 of the California Constitution provides that a city may make and enforce within its limits all local police, sanitary and other ordinances and regulations not in conflict with general laws. Consistent with this authority, staff recommends that the San Leandro City Council consider

amending the Municipal Code to prohibit the issuance of any additional retail medical cannabis dispensary permits.

Fiscal Impact

There are no fiscal impacts expected from the passage of this urgency Ordinance.

ATTACHMENT

None.

PREPARED BY: Eric Engelbart, Deputy City Manager