



City of Culver City

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Staff Report

File #: 16-639, Version: 1

CC - (1) Establishment of a Marijuana Task Force; (2) Appointment of Two City Council Members to the Marijuana Task Force; and (3) Direction to City Manager to Return with a Request for Proposals (RFP) for Consultant(s) to Assist in the Development of Marijuana Policies and Regulations.

Meeting Date: February 27, 2017

Contact Person/Dept: Jesse Mays/Assistant to the City Manager
Phone Number: (310) 253-6009

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☒

Public Notification: (E-Mail) Meetings and Agendas - City Council (02/22/17); GovDelivery subscribers Chamber of Commerce, City Council, Committee on Permits and Licenses, Culver City Unified School District, Finance Authority, Fiscal and Budget Issues, Planning, Planning Commission, Press Organizations, Marijuana (02/22/17); City Webpage (02/22/17).

Department Approval: John Nachbar, City Manager (02/21/17)

RECOMMENDATION

Staff recommends the City Council (1) establish a Marijuana Task Force, using or modifying the recommendations in the staff report; and (2) appoint two City Council Members to the Marijuana Task Force; (3) direct the City Manager to return to City Council with a Request for Proposals (RFP) for a consultant(s) to assist with the development of marijuana policies and regulations.

BACKGROUND

At the February 13, 2017 City Council meeting, City Council requested that staff return to its next meeting with a proposal for a Marijuana Task Force (MTF). This request was prompted by the passage of the 2015 Medical Cannabis Regulation and Safety Act (MCRSA) and the 2016 Adult Use of Marijuana Act (AUMA). The purpose of the MTF is to develop a recommended plan, for consideration by the City Council, to address local regulation of recreational and/or medical marijuana.

The City Council's Strategic Plan, Goal Five ("Identify New Revenue Sources to Maintain Financial Stability"), Objective One ("Potential Retail Marijuana Excise Tax") states that City Council will consider whether retailers/dispensaries will be permitted in Culver City. If permitted, the City Council would consider a marijuana tax for placement on the ballot during the April 2018 municipal election. Finally, the Objective calls for analysis by and recommendations from the Finance Advisory Committee (FAC) on a marijuana tax by the end of 2017.

DISCUSSION

The guiding principles of the MTF are to work collaboratively and transparently to develop comprehensive regulations related to recreational and medical marijuana, while ensuring the protection of public safety, health, and quality of life in Culver City. Its decisions should be founded on evidence-based or experiential information and reduce youth access and the illicit market.

Task Force Structure

Based on the MTF's purpose and guiding principles, it will represent a broad cross-section of Culver City community leaders and City staff:

City Councilmembers (2)
Planning Commissioner (1)
Finance Advisory Committee member (1)
City Manager representative (1)
City Attorney representative (1)
Police Department representative (1)
Fire Department representative (1)
Community Development representative (1-3; Planning, Economic Development and Enforcement Services Divisions may all be involved, depending on the issues being discussed)
Finance Department representative (1)
Public Works representative (1)

The MTF will be subject to Brown Act requirements. The City Council, Planning Commission, and the Finance Advisory Committee will each select their representative(s). City departments will select their staff representatives. The MTF will be chaired by one of the two City Councilmembers. Meetings will be held bi-weekly at City Hall and be open to the public. There will be opportunity for public comment at every meeting. MTF agendas, minutes, and any reports will be posted to the City's website. Meetings might occasionally take place off site (such as a site visit), or on a night or weekend in order to facilitate the involvement of as many individuals as possible. Meetings will be coordinated by the City Manager or his designee. The MTF may also be advised by a legal consultant specializing in marijuana, as selected by the City Attorney, and/or a policy consultant.

Timeline

The timeline for the MTF depends on the direction it decides to take early in the process. Should the MTF decide to recommend to the City Council that a tax be placed on the April 2018 ballot, the City Council would need to take action in October 2017, and any zoning code amendments would need to

go to the Planning Commission prior to an ordinance being introduced and adopted by City Council.

Stakeholders

City Council emphasized the need for the MTF to engage in outreach with as many representatives as possible from the diverse types of stakeholders. The MTF could hold “themed” meetings or portions of meetings targeted at specific stakeholder groups. This would ensure a thorough consideration of each group’s special needs. Stakeholders include:

- Residents (multifamily, HOAs, single family)
- Business organizations (Chamber of Commerce, Downtown Business Improvement District)
- Businesses (small businesses, entertainment/nightlife, hospitality/tourism)
- Schools (CCUSD and private)
- Property owners
- Public health policy experts/providers
- Marijuana retailers (recreational & medical)
- Marijuana distributors
- Marijuana cultivators
- Marijuana processors/manufacturers
- Marijuana laboratories (testers)
- Marijuana users (recreational & medical)

Consultant

Staff recommends City Council direct the City Manager to retain one or more experienced consultant (s) with a successful track record in this policy and financial area in order to assist in the process of developing marijuana policies and regulations. The cost for each consultant would depend on the scope of services desired.

Research Topics

City Council also posed the following questions to each department regarding the various categories of marijuana businesses: retailers, distributors, cultivators, processors/manufacturers, and laboratories. Staff has begun the process of compiling the data requested, which will be provided to City Council at a later date.

Community Development:

1. What areas are available for different marijuana business types, based on State zoning requirements and sensitive receptors such as parks, schools, daycares, and places of worship? Response should provide maps highlighting eligible locations.
2. Is there a reasonable number of businesses to which the City should issue permits?
3. What are your recommendations for minimum spacing between marijuana retail outlets and maximum marijuana retail street frontage that should be allowed?

Public Works:

1. For each type of marijuana business, what are the relevant impacts to utilities, trash collection,

the environment, and other issues?

Police Department:

1. For each type of marijuana business, what are the potential impacts on crime, police resources, and other issues? How do these impacts differ from the impacts of medical marijuana?

Fire Department:

1. For each type of marijuana business, what are the potential impacts on fire, hazardous materials, and other issues?

Finance:

1. For each type of marijuana business, what is the estimated average annual tax and licensing revenue to the City for each establishment?
2. What are the various models the City could have for different tax percentages and permit fees?
3. What taxes and fees are imposed by nearby cities and counties?

City Attorney:

1. What Federal issues should be taken into consideration by marijuana businesses, property owners and the City?
2. What regulations have been imposed by other nearby cities and counties?

FISCAL ANALYSIS

There is no fiscal impact at this time, other than the staff time required to participate in and coordinate the Marijuana Task Force, including researching and preparing the additional information requested by City Council.

ATTACHMENTS

None.

MOTION

That the City Council:

1. Establish a Marijuana Task Force as described in the staff report, or as modified by City Council; and
2. Appoint City Council Members _____ and _____ to the Marijuana Task Force; and
3. Direct the City Manager to return to City Council with a Request for Proposals for a consultant

(s) to assist the City with the process of developing new marijuana regulations.