May 3, 2016

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

Re: Medical Cannabis Implementation Program and Fees

Dear Supervisors:

RECOMMENDATION: Approve the Medical Cannabis Implementation Program and Adopt Resolution Establishing Fees

SUMMARY: On December 8, 2015, the Board adopted Ordinance 3639 which establishes the County’s first regulatory framework to license medical cannabis dispensaries in the unincorporated areas. Pursuant to the ordinance, the County may issue up to four Dispensary Licenses for eligible sites that meet such criteria as zoning and proximity to schools, parks, and smoke shops. Working with the subcommittee of the Board of Supervisors comprised of Supervisors Arnold and Connolly, staff has prepared an implementation program (consisting of the Dispensary Application Guide and Application Form) and fee schedule for your Board’s review and approval.

The Dispensary Application Guide describes the submittal requirements, review criteria, process, and approximate timelines for issuing Dispensary Licenses. (Please refer to Attachment 2.) The process is expected to take between four and eight months (depending on such factors as the quality and comprehensiveness of the application submittal and public input) and includes the four following milestones: (1) application filing and acceptance by staff; (2) review and determination of application completeness by staff and review for conformance with review criteria and merit by an internal staff working group to be appointed by the Community Development Agency Director; (3) public meeting review and recommendation from the County’s medical cannabis advisory committee to be appointed by the County Administrator, and (4) County Administrator’s decision. Additional time may be required if an applicant appeals the decision to grant or deny an application to the Board of Supervisors. If the proposed program and fees are approved, license applications could be accepted as early as July 2016.

Because of the competitive nature of the review process, staff is recommending that applicants be required to address additional factors that may warrant exceptional merit consideration, in addition to the standard submittal requirements that are required by Ordinance 3639. Some examples include addressing local ownership, community relations, labor relations and living wage, green business, education services for patients and training for staff, referrals to resources for treatment services, access to medical cannabis by low income patients, and early compliance with the state’s labeling requirements. (Please see Attachment 2, Section F.)
The proposed fees are intended to ensure that the Dispensary Licensing program is entirely covered by user fees charged to the Dispensary License applicant. These fees include the License Application Review fee ($6,000), Annual Compliance Monitoring fee ($12,000), and Appeals fee ($1,200).

**FISCAL/STAFFING IMPACT:** The Community Development Agency is the lead agency that will administer the Medical Cannabis Program on behalf of the County Administrator. Due to the Agency's workload commitments, additional staff and/or contractor assistance will be necessary to assist with program implementation. Additional program implementation costs will be incurred by the County Administrator's Office, County Counsel, and other departments related to their review of applications, and potential assistance with monitoring and enforcement. The proposed fees are intended to ensure the program is fully cost-covered with no impact to the County's general fund.

**REVIEWED BY:** (These boxes must be checked)

| [ ] Department of Finance | [ ] N/A |
| [ X ] County Counsel | [ ] N/A |
| [ ] Human Resources | [ ] N/A |

**SIGNATURE:**

Tom Lai  
Assistant Director

Reviewed By:

Brian C. Crawford  
Director

**Attachments:**

1) Proposed Fee Resolution  
2) Medical Cannabis Dispensary Application Guide  
3) Medical Cannabis Dispensary Application Form