



COMMUNITY DEVELOPMENT AGENCY

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May 23, 2017

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

SUBJECT: Appeals of the County Administrator's Denial of Medical Cannabis
Dispensary Licenses

Dear Supervisors,

RECOMMENDATION:

Conduct a hearing and adopt the proposed resolutions denying eight applicant-initiated appeals of the County Administrator's decision to deny their medical cannabis dispensary license applications.

SUMMARY:

On December 8, 2015, the Board adopted Ordinance 3639 which established a regulatory framework to license up to four medical cannabis dispensaries in the unincorporated areas of the county in order to meet the medical needs of, and expand options for, patients to access medical cannabis.

Following your Board's subsequent approval of the implementation program that established a competitive selection process, ten dispensary license applications were reviewed by a staff working group and a four-member advisory committee which forwarded their comments and recommendations to the County Administrator (CAO) after holding three well-attended public meetings. On April 10, 2017, the CAO issued the decision denying all of the applications, finding that none of the proposals had an acceptable combination of an experienced, qualified operator matched with a location that can accommodate the proposed dispensary's business plan without significant neighborhood impacts. Subsequently, eight applicants filed separate appeals of the CAO's decision. Pursuant to Marin County Code Section 6.85.063, applicant-initiated appeals of the licensing decision are scheduled for a public hearing before the Board of Supervisors. The following provides a summary of the applications:

1. Access Marin, 150 Shoreline Highway, Mill Valley

License application for a medical cannabis dispensary of approximately 2,800 square feet within a proposed 6,000 square-foot building. Dispensary hours of operation from Monday – Friday 11 a.m. – 8 p.m., and delivery hours Monday – Sunday 11 a.m. – 9 p.m.

2. Shoreline Health Center, 200 Shoreline Highway, Mill Valley
License application for a medical cannabis dispensary within an existing 5,500 square-foot building. Dispensary hours of operation Monday – Sunday 10 a.m. – 7 p.m., and delivery hours Wednesday – Saturday 12 a.m. – 6 p.m.
3. Urban Hills, 230 Shoreline Highway, Mill Valley
License application for a medical cannabis dispensary within an existing 3,700 square-foot building. Dispensary hours of operation Monday – Sunday 10 a.m. – 8:30 p.m., and delivery hours Monday – Sunday 11 a.m. – 7:30 p.m.
4. Crown Wellness, 256 Shoreline Highway, Mill Valley
License application for a medical cannabis dispensary within an existing 4,000 (approx.) square-foot building on a lot shared with additional commercial buildings. Hours of dispensary and delivery operation were not specified.
5. Delta 11, 70 San Pablo Avenue, San Rafael
License application for a medical cannabis dispensary within an existing 3,200 square-foot building. Dispensary and delivery hours of operation Monday – Sunday 9 a.m. – 9 p.m.
6. Marin Compassionate Caregivers, 5 Harbor Drive, Novato
License application for a medical cannabis dispensary within an existing 740 square-foot building on a lot shared with another commercial use. Dispensary hours of operation Monday – Sunday 9 a.m. – 9 p.m., and delivery on Tuesday (hours not specified).
7. Marin Community Partners, 11 Harbor Drive, Novato
License application for a medical cannabis dispensary within a proposed 2,538 square-foot building. Dispensary hours of operation Monday – Sunday 9 a.m. – 9 p.m.
8. Forest Knolls Wellness, 6700 Sir Francis Drake Blvd, Forrest Knolls
License application for a medical cannabis dispensary within an existing 1,022 square-foot building. Dispensary hours of operation Monday – Sunday 9 a.m. – 9 p.m. Hours of delivery operation were not specified.

Upon review of the arguments presented in the appeals, we find that the applicants/appellants have failed to meet the established standards of the County ordinance. Details are presented in the attached Resolutions.

The table below summarizes the review criteria for which each application was not in compliance. Review Criteria 6.85.061(A) requires that the application be consistent with the intent of Proposition 215 and related State law, as well as Marin County Code, including the application submittal and operating requirements. Review Criteria 6.85.061(L) requires the dispensary not adversely affect the health, peace or safety of persons living or working in the surrounding area, overly burden a specific

neighborhood with special needs or high impact uses, or contribute to a specific nuisance.

Table 1: Key Areas of Noncompliance with Marin County Code

Applicant	Review Criteria 6.85.061(A)	Review Criteria 6.85.061(L)
Access Marin	X	X
Shoreline Health Center		X
Urban Hills		X
Crown Wellness	X	X
Delta 11	X	
Marin Compassionate Caregivers	X	X
Marin Community Partners		X
Forest Knolls Wellness	X	X

DISCUSSION:

Pursuant to the Medical Cannabis Regulation and Safety Act of 2015 (MCRSA), the State Bureau of Marijuana Control will implement its licensing program in 2018. Licenses for medical cannabis businesses will be issued if local approval has been granted. To date, there are no legal medical cannabis dispensaries that meet the requirements of MCRSA in Marin County, although the Town of Fairfax has recently allowed a longstanding dispensary to reopen under a prior Use Permit.

Should your Board uphold the County Administrator’s decision not to grant approval of any medical cannabis dispensary license at this time, staff would continue to work with your Board’s medical cannabis subcommittee, comprised of Supervisors Arnold and Connolly, to explore alternative approaches to selecting and regulating medical cannabis dispensaries that would meet your Board’s primary objectives to expand patient access to safe medical cannabis locally. These alternatives may include decoupling the selection of the dispensary operator from the location; establishing standards for delivery-only dispensaries; and/or reconciling the County’s medical cannabis dispensary ordinance with MCRSA and draft dispensary regulations that were recently released by the state.

FISCAL/STAFFING IMPACT:

No impact to the General Fund, as implementation of the medical cannabis dispensary program is covered by application fees.

Submitted by:



Inge Lundegaard
Planner

Approved by:



Matthew H. Hymel
County Administrator

ATTACHMENTS:

- (1) Access Marin Resolution, Appeal, Decision, and Application
- (2) Shoreline Health Center Resolution, Appeal, Decision, and Application
- (3) Urban Hills Resolution, Appeal, Decision, and Application
- (4) Crown Wellness Resolution, Appeal, Decision, and Application
- (5) Delta 11 Resolution, Appeal, Decision, and Application
- (6) Marin Compassionate Caregivers Resolution, Appeal, Decision, and Application
- (7) Marin Community Partners Resolution, Appeal, Decision, and Application
- (8) Forest Knolls Wellness Resolution, Appeal, Decision, and Application
- (9) Public Comments