



COMMUNITY DEVELOPMENT AGENCY

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Marin County Board of Supervisors
3501 Civic Center Drive
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SUBJECT: Proposed Medicinal Cannabis Delivery-Only Retailer Licensing Ordinance

Dear Supervisors,

RECOMMENDATION:

Conduct a merit hearing and adopt the proposed ordinance licensing medicinal cannabis delivery-only retailers.

SUMMARY:

The proposed Medicinal Cannabis Delivery-Only Retailer (MCDORe) Licensing ordinance would establish a regulatory framework to create local delivery options for patients to safely access medicinal cannabis within unincorporated Marin consistent with the state's new Medicinal and Adult-Use Cannabis Regulation Act (MAUCRSA), approved June 27, 2017. Cannabis retailers are currently not allowed in the unincorporated areas of Marin County, and they are not permissible in 10 of the 11 cities and towns in Marin. The Town of Fairfax allows up to three retailers, and one is currently permitted and operating. If adopted, this ordinance would not regulate any aspect of medicinal or adult use cannabis in cities and towns in Marin.

Over the past several months staff has worked with the cannabis subcommittee of the Board of Supervisors, comprised of Supervisors Arnold and Connolly, to develop the new MCDORe ordinance after the County did not approve any storefront medical cannabis dispensaries under the Medical Cannabis Dispensary (MCD) ordinance earlier this year. During the MCD license application review process significant concerns were voiced by the public, with a focus on traffic and neighborhood compatibility issues. At the May 23, 2017 Hearing, the Board of Supervisors provided direction to evaluate a delivery-only dispensary (retailer) ordinance. The MCDORe ordinance addresses key concerns, by requiring a retailer to be closed to the public and to conduct sales exclusively by delivery. If approved, the MCDORe ordinance would replace the MCD ordinance.

Since the release of the first draft MCDORe ordinance on September 8th, staff conducted a technical review meeting with cannabis industry representatives and a public meeting to answer questions and gather comments. On October 10, 2017, the Board conducted a public workshop, received comments, and directed staff on

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specific amendments and areas for analysis with the subcommittee. The workshop was followed by a first reading of the amended ordinance on October 31, 2017.

DISCUSSION:

The following is a summary of the proposed ordinance and the amendments made to the first draft of the MCDORe ordinance.

Ordinance overview

The proposed MCDORe ordinance would be consistent with the new State law and replace the prior MCD ordinance. As proposed, this ordinance would:

- Establish a competitive process for licensing medicinal cannabis retailers, and bifurcate the selection of the applicant and the site;
- Require a retailer to be closed to the public and conduct sales exclusively by delivery;
- Limit the number of licensed retailers in the unincorporated areas of the county to no more than four;
- Expand the eligible sites to include office and industrially-zoned properties in addition to commercial zoning districts, (C1, CP, AP, OP and IP), where medicinal cannabis retailers would be recognized as a permitted use with respect to applicable zoning and land use plans;
- Require eligible sites to maintain a distance of at least 600 feet from schools (K-12), day care centers, and youth centers as required by state law, in addition to playgrounds; and
- Require retailers to meet the operation standards set forth by state law (MAUCRSA), plus additional county standards such as restricted hours, signage, and monitoring.

Ordinance scope

Except for licensed Medicinal Cannabis Delivery-Only Retailer businesses, all other commercial medicinal cannabis businesses requiring a State license would be prohibited within unincorporated Marin as proposed. However, the delivery of medicinal cannabis originating from retailers located outside of unincorporated Marin would be allowed.

Limitation on location

Public opinion was divided regarding the buffer distance and to the land uses. It was recommended that the buffer to schools be increased, and safe routes to schools be added. In addition, the public recommended removal of the buffer to other cannabis retailers, tobacco stores and playgrounds. The buffer to other cannabis retailers was removed to allow clustering options similar to other medical office uses. In addition, the buffer to tobacco stores was removed. The State standard buffer of 600 feet was retained because the delivery-only retailers must be closed to the public.

Application review and action

The review of applications process was more substantially amended based on public input and direction from the Board. Numerous comments were received regarding the impacts of having a lottery prior to a discretionary review. Phase 2 was amended to include a discretionary review of applicants prior to conducting a lottery.

In addition, the scoring system was amended, a qualified applicant list was established and an Administrative Decision appeal process was added. Phase 4 was also amended, and includes a time limit for submittal of a site review application.

FISCAL/STAFFING IMPACT:

Administration of the ordinance will continue to increase the workload for the Community Development Agency. There will likely be additional costs borne to the County Administrator's Office, the Sheriff's Office, and other departments related to implementation, administration, and enforcement. These direct costs will be abated by application review and monitoring fees that have been established separately by the Board of Supervisors. However, the subcommittee also recommends that the prior applicants receive a credit of their previously paid application review fees. Staff will monitor and work with the County Administrator as part of Fiscal Year 2017-18 budget planning.

REVIEWED BY:

- | | |
|--|---|
| <input type="checkbox"/> Department of Finance | <input checked="" type="checkbox"/> N/A |
| <input checked="" type="checkbox"/> County Counsel | <input type="checkbox"/> N/A |
| <input type="checkbox"/> Human Resources | <input checked="" type="checkbox"/> N/A |

SIGNATURE:

Inge Lundegaard
Planner

Reviewed By:

Brian C. Crawford
Director

- Attachments: (1) Proposed MCDORe Ordinance
 (2) Public Comments (received between 11/1 – 11/8)