

A MID-SIZE CITY'S APPROACH TO CANNABIS

CITY OF SAN RAFAEL



BACKGROUND

San Rafael - dispensary ban since 1997

Sole dispensary in Marin County

- **Town of Fairfax**

Proposition 64-

- **Marin Co placed third in CA counties to win voter approval**
- **69.6% support, just behind SF and Santa Cruz Cos**

Irony = lack of local support for dispensaries or retail shops

EDUCATION & OUTREACH

Initial educational City Council “study session” January 2017-

- Initial feedback = focus on medical cannabis

Formation of Medical-Cannabis Sub-Committee

Education and outreach-

- Community and neighborhood groups
- Business community – Chamber of Commerce
- Potential cannabis business start-ups

SUB-COMMITTEE CONSENSUS

Factored-in lessons learned (Santa Rosa)

- Come-one, come-all
- Local regulatory approach
- Taxing on Code Enforcement services
- Addressing proliferation and fallout
- Impacts on light industrial/industrial real estate inventory and “spiked” rents

SUB-COMMITTEE CONSENSUS

Continue to prohibit cultivation and dispensaries

Do not support adult use, retail sales

Focus on and allow:

- Discreet, low-impact and minimal public interface uses
- Medical cannabis only
- Support small business innovation & new jobs
- Tap on revenue potential

SUB-COMMITTEE CONSENSUS

Test initial “pilot,” merit-based program

Favored local regulatory approach of:

- Licensing and registering businesses rather than land use permit process
- Consider license requests to be vetted and issued through City staff committee
- For initial phase, set a cap on the number of licenses issued

SUB-COMMITTEE CONSENSUS

Acceptable low-impact businesses to include:

- Laboratories for cannabis testing (batch testing limits, strict licensing, skilled technicians)
- Manufacturing Type 6, non-volatile for medical use (infused products, no distilling; such as infused topical and edible products)
- Delivery medical cannabis

Set initial license cap of 4, 8 and 3, respectively

CITY COUNCIL DIRECTION

City Council review and direction on 9/18/17:

- Public Comment
- Confirmed local regulatory approach
- Reconsider the limit on licenses
- Develop a cannabis excise tax for Council consideration and voter approval

Returning to City Council in 11/20/17