



CITY COUNCIL AGENDA STATEMENT



November 27, 2018

File ID: ~~18-0513~~
18-0536

TITLE

ORDINANCE OF THE CITY OF CHULA VISTA AMENDING SECTIONS OF CHULA VISTA MUNICIPAL CODE CHAPTER 5.19 REGARDING COMMERCIAL CANNABIS (SECOND READING AND ADOPTION)

RECOMMENDED ACTION

Council adopt the ordinance.

SUMMARY

This proposed ordinance amends provisions of Chapter 5.19 to clarify existing language, provide additional information and guidance, and ensure that elements of City's regulatory requirements are consistent with state law cannabis regulations.

ENVIRONMENTAL REVIEW

Environmental Notice

This project qualifies for a Categorical Exemption pursuant to the California Environmental Quality Act State Guidelines Section 15061(b)(3); Section 15183 (Projects Consistent with a Community Plan or Zoning); Section 15301 (Existing Facilities); and Section 15303 (New Construction or Conversion of Small Structures).

Environmental Determination

The City Council finds that the adoption of this amending Ordinance is exempt from environmental review under the California Environmental Quality Act ("CEQA") pursuant to the following provisions of the CEQA Guidelines, 14 Cal. Code of Regulations, Chapter 3:

1. The amending Ordinance is exempt under Section 15061(b)(3).
2. The amending Ordinance is exempt under Section 15183.
3. The amending Ordinance is exempt under Section 15301.
4. The amending Ordinance is exempt under Section 15303.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not Applicable.

DISCUSSION

In March 2018, City Council voted to approve Ordinance 3418, which created a licensing and regulatory structure for the operation of cannabis businesses in the City of Chula Vista; such structure is codified in Chula Vista Municipal Code chapter 5.19. Based on both internal reviews and public feedback, staff now recommends that sections of chapter 5.19 be amended to clean up and clarify existing language, provide additional information, and maintain consistency with various state regulations.

Proposed amendments include the following clarifications and additions:

- Language explaining when the term “Owner” in the Phase One application process refers to an Owner of the Commercial Cannabis Business as opposed to an Owner of the Premises
- More specific information as to the minimum components that should be included in each operating plan submitted during the Phase One application
- Enumeration of the specific factors that may result in revocation, denial, or refusal to renew an employee work permit rather than referring to a another location in the ordinance where such factors are listed
- Explicit language prohibiting temporary cannabis events
- Clear notice that violations by license holder employees or agents may result in revocation or non-renewal of a City license
- A direct statement that fees, costs, and charges imposed are deemed a debt to the City and are recoverable by all legally available means
- Clarification that security surveillance must monitor both exterior and interior spaces where diversion could reasonably occur
- Various drafting error corrections intended to eliminate confusion

The proposed amendments also include the following changes:

- A provision to allow those with pharmaceutical business experience to instead qualify under the management qualifications provision, as few, if any, pharmaceutical businesses have owners with a 30% interest
- Language tying the value of goods a cannabis delivery employee is permitted to carry to the amount authorized under state law
- A requirement that security footage be maintained for a minimum of 90 days, which tracks state law requirements

Staff requests that the recommended amendments be approved to enhance clarity, maintain consistency, and streamline implementation of the Chapter 5.19 provisions.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the 500-foot rule found in California Code of Regulations Title 2, section 18702.2(a)(11), is not applicable to this decision for purposes of determining a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City’s Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. These amendments support the Operational Excellence goal as they seek to clarify existing language and provide additional notice of requirements and prohibitions.

CURRENT-YEAR FISCAL IMPACT

The subject amendments to chapter 5.19 result in no current year fiscal impact to the City.

ONGOING FISCAL IMPACT

The subject amendments to chapter 5.19 may enhance the City’s ability to recover fees associated with commercial cannabis regulation. However, it is difficult and speculative to predict how such ability would be enhanced and in what amounts.

ATTACHMENTS

None.

Staff Contact: Kelley Bacon; Megan McClurg