



TOWN OF FAIRFAX

STAFF REPORT

April 4, 2018

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager ↙
Ben Berto, Planning and Building Director

SUBJECT: Receive Summary Report on Council's March 7, 2018 Discussion Regarding Local Cannabis Regulatory Options

RECOMMENDATION

Receive summary report on Council's March 7, 2018 discussion regarding local cannabis regulatory options.

Staff will continue to work on a special workshop on municipal aspects of cannabis regulation.

BACKGROUND

California is currently operating under the auspices of the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) regulating every aspect of cannabis, both commercial medical and non-medical, and personal non-medical. MAUCRSA provides broad discretion to local jurisdictions to regulate all commercial cannabis businesses.

Fairfax is currently operating under a moratorium for commercial cannabis businesses (except for medical marijuana dispensaries allowed under the Town Code) that is in effect until October 31 of this year. Please note that the Council can extend the moratorium for an additional year prior to October 31. The current moratorium provides the Council the ability to determine what types of commercial cannabis regulations are desired for Fairfax.

The Council reviewed the context for possible cannabis regulations at their last meeting on March 7. At that time, several commercial cannabis regulatory parameters were discussed, preliminarily narrowing the types of commercial cannabis businesses desired in Fairfax.

Specifically, the Council opined that a business involving any of the following as defined under State regulations, did not appear to be a good fit for the Town and that the Council will no longer further discuss or consider these types of businesses:

- manufacturing of cannabis products
- distribution of cannabis products
- commercial cannabis cultivation
- cannabis testing.

Staff was given direction to continue to gather more information regarding:

- commercial medical cannabis dispensaries/retailers
- non-medical cannabis retail
- cannabis delivery
- microbusinesses
- cannabis temporary events.

DISCUSSION

At its March 7, 2018 meeting, the Council agreed to schedule a special Town workshop for the express purpose of receiving more detailed information on the above topics for further discussion. The workshop format will also provide the opportunity for the Council and community to have a Q&A session with an industry expert. These discussions will assist the Council in determining how to regulate and/or prohibit different types of commercial cannabis businesses.

Staff will be retaining HdL companies, a firm specializing in municipal regulation and taxation of medical and non-medical cannabis businesses, to conduct the workshop. Over the past 3 years, HDL has conducted over 100 similar workshops for professional organizations and local governments. David McPherson, HdL Cannabis Compliance Director, will be leading the Town's workshop. We are still working on possible dates for the workshop.

At a future meeting, we would anticipate the Council directing staff to prepare business and/or zoning regulations based on their discussions. The proposed regulations would be reviewed by the Planning Commission, for their recommendation to the Town Council regarding adoption.

Staff's current understanding is that the Council does not want to take any actions to amend the current Town Code, whether to just "clean up" the current zoning code to make it consistent with state law (e.g., personal cultivation), or to reflect the Council's direction to not consider specific types of cannabis businesses. The current approach is for the Council to consider and adopt all code amendments at the same time, to avoid any potential confusion in the community as to what is being approved by the Town.

FISCAL IMPACT

None currently.