



# Municipal Code Text Amendment No. TA-21-116

City Council Meeting

November 8, 2021

*Item 5.4*

# Summary



- ▶ Municipal Code Text Amendment No. 21-116 is a Council-initiated proposal to modify Chapter 5.04 titled “Business Licenses Generally”, Chapter 5.26 titled “Prohibition Against Commercial Cannabis” and Chapter 17.18 titled “Prohibited Cannabis Activities” to permit commercial cannabis activities to operate in the City.
- ▶ The proposed Merit Based Selection Criteria will be used as a point-system to objectively award an applicant the authority to move forward with the formal application to operate a cannabis dispensary in the City.

# Background



## City of Lathrop

- ▶ On January 29, 2018, the City Council adopted an ordinance prohibiting all commercial cannabis activities in the City.
- ▶ On February 8, 2021, an initial Regional Cannabis Update was presented to City Council providing an update on cannabis regulations and permitting in San Joaquin County.

# Background



## City of Lathrop

- ▶ On July 12, 2021, a Cannabis Update was presented to City Council providing a survey of surrounding jurisdiction's cannabis regulations and various State license types and descriptions.
- ▶ On August 2, 2021, a Commercial Cannabis Discussion was conducted by the City Council and further provided options for the City Council to discuss and provide direction. City Council gave direction to Staff to prepare an Ordinance to establish cannabis regulations allowing one (1) cannabis dispensary to operate in the City.

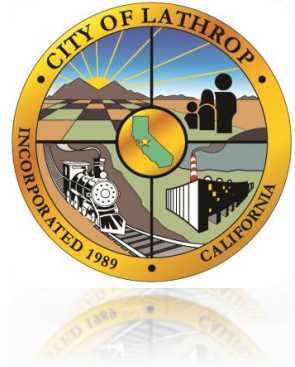
# Background



## City of Lathrop

- ▶ On September 1, 2021, the proposed Text Amendments were presented to the Planning Commission. Following their deliberation, the Planning Commission voted 4–1 recommending the City Council approve the proposed amendments with the following recommendations:
  - Remove Zoning Districts: Regional Commercial in River Islands, Neighborhood Commercial Citywide, Service Commercial in Mossdale Village, Commercial Office in Central Lathrop, and Village Commercial in Mossdale Village.

# Background



## City of Lathrop

- Add Industrial Zoning Districts (Limited Industrial and General Industrial citywide).
- Establish a 1,500 foot buffer on Lathrop Road/Spartan Way and Golden Valley Parkway.

# Background



## City of Lathrop

- ▶ On September 13, 2021, the City Council considered the proposed amendments to establish cannabis regulations and to clarify where cannabis business uses are permitted within the City.
- ▶ Following deliberation and public comment, the City Council voted not to move forward with the amendments.

# Amendments



- ▶ Chapter 5.04: Business Licenses Generally
  - Amend Section 5.04.190: *Authorization by chief of police* to add Cannabis Business as a use that requires Chief of Police authorization prior to being issued.



# Amendments



- ▶ Chapter 5.26: Prohibition Against Commercial Cannabis
  - Rename the Chapter to “Commercial Cannabis Regulations” and remove language related to prohibiting cannabis activities.
  - Require cannabis business to obtain a Development Agreement, Conditional Use Permit, Site Plan Review (if applicable), a valid State license, and City business license.

# Amendments



## ▶ Chapter 5.26: Commercial Cannabis Regulations

- Establish procedures for selecting a cannabis business. The selection process may include a request for proposal and scoring or ranking system for City Council consideration.
- Define the purpose and potential terms of the Development Agreement including but not limited to public outreach and education, payment of fees, etc.

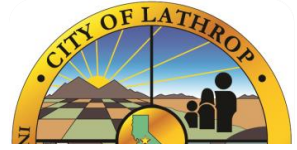
# Amendments



## ▶ Chapter 5.26: Commercial Cannabis Regulations

- Define the maximum number and types of cannabis businesses. (one (1) cannabis dispensary).
- Require a 600-ft. buffer from schools, day cares, and youth centers and a 1,500-ft. buffer from Lathrop Road/Spartan Way and Golden Valley Parkway

# City Council Recommended Buffer – 1,000 ft.

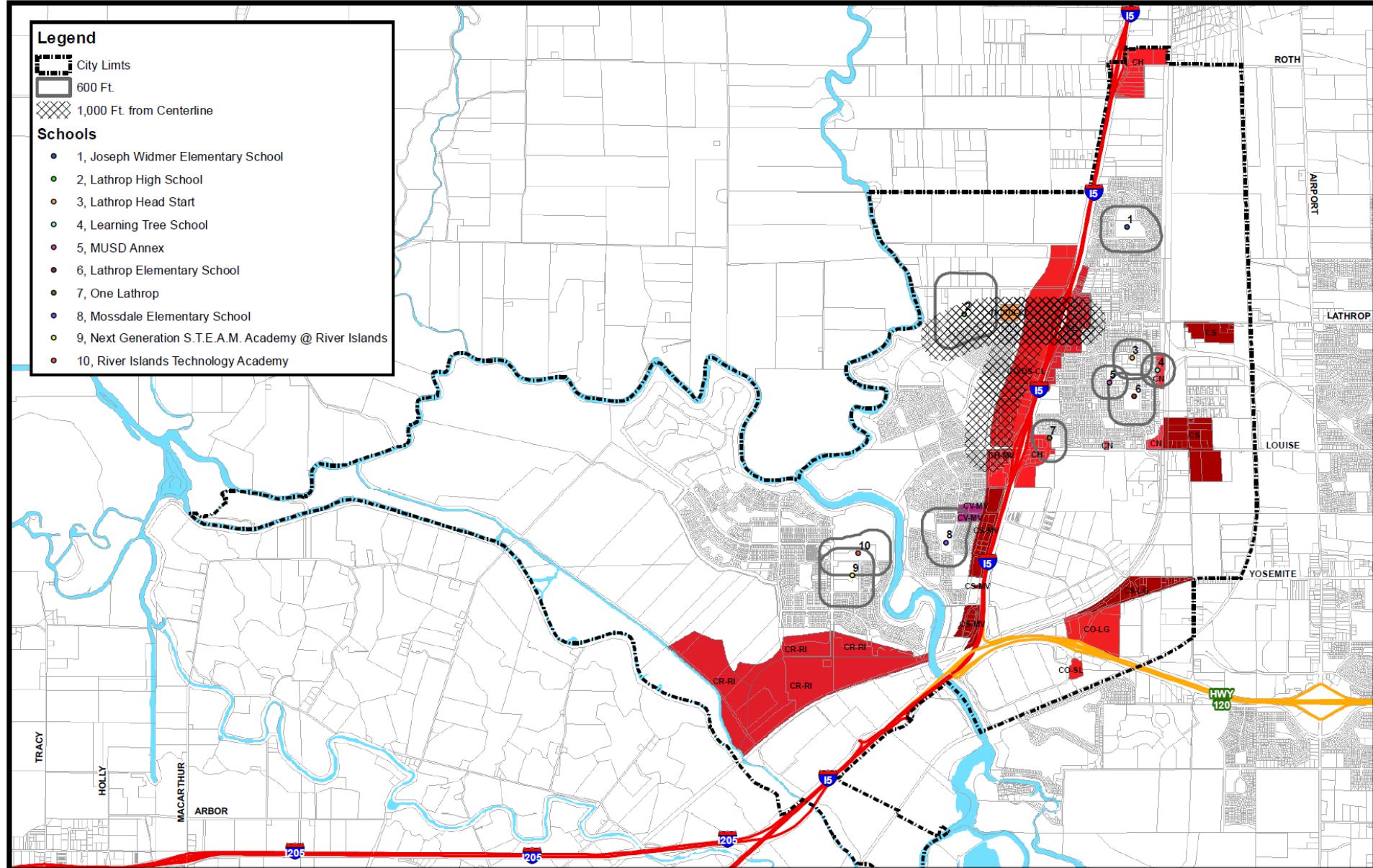


## Legend

- City Limits
- 600 Ft.
- 1,000 Ft. from Centerline



## Schools

- 1, Joseph Widmer Elementary School
- 2, Lathrop High School
- 3, Lathrop Head Start
- 4, Learning Tree School
- 5, MUSD Annex
- 6, Lathrop Elementary School
- 7, One Lathrop
- 8, Mossdale Elementary School
- 9, Next Generation S.T.E.A.M. Academy @ River Islands
- 10, River Islands Technology Academy



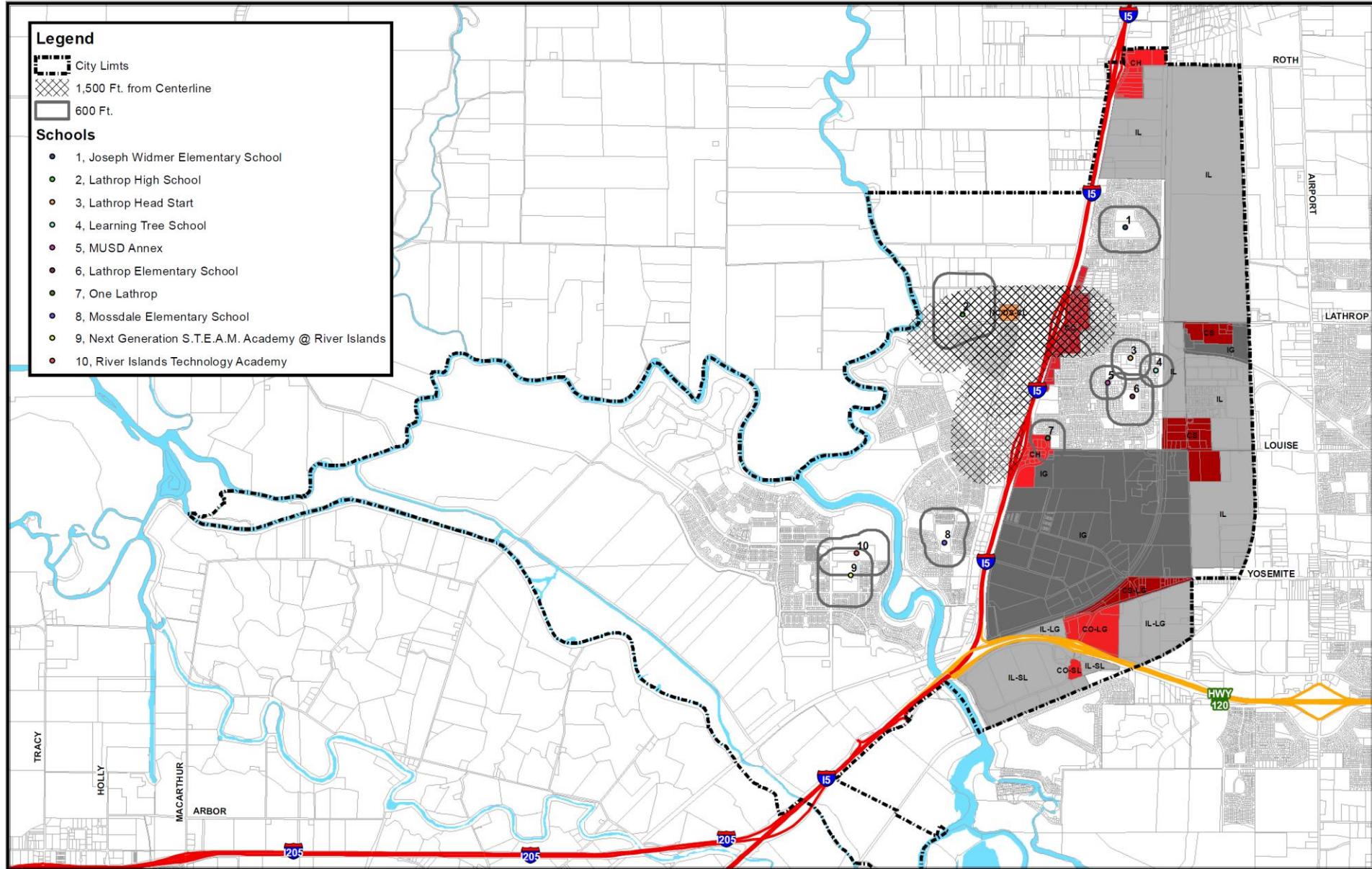
# PC Recommendation with 1,500-ft. Buffer

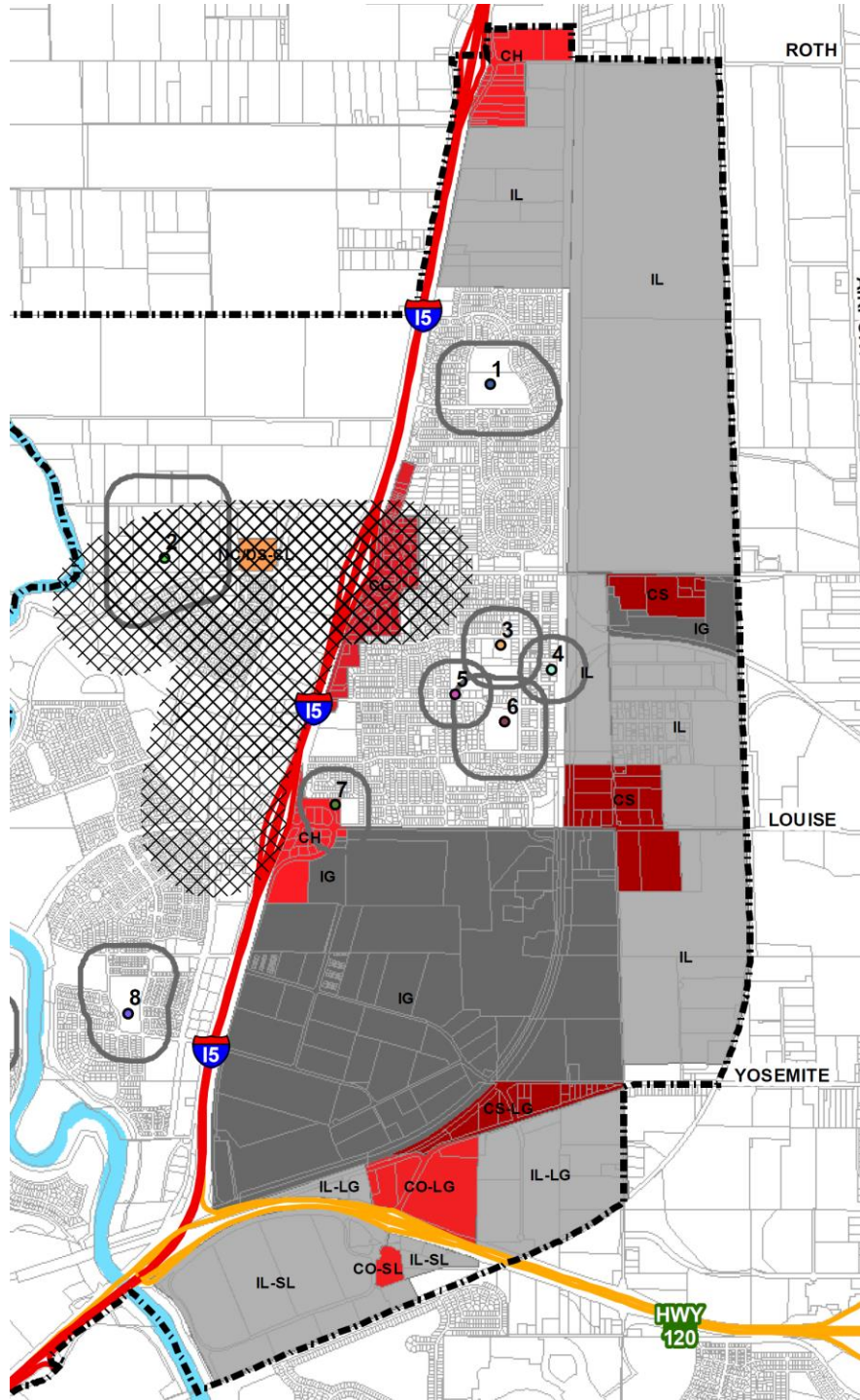
## Legend

-  City Limits
-  1,500 Ft. from Centerline
-  600 Ft.

## Schools

- 1. Joseph Widmer Elementary School
- 2. Lathrop High School
- 3. Lathrop Head Start
- 4. Learning Tree School
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- 9. Next Generation S.T.E.A.M. Academy @ River Islands
- 10. River Islands Technology Academy





# Amendments



## ▶ Chapter 5.26: Commercial Cannabis Regulations

- Regulations and standards such as, security, odor control, insurance, waste management, hours of operation, and restrictions on alcohol consumption.
- Employee requirements including authorization for the Chief of Police to implement an employee permit system.
- Enforcement and inspection standards, such as allowing the City to inspect the cannabis business and enforce rules and regulations as applicable.

# Amendments



- ▶ Chapter 17.18: Prohibited Cannabis Activities
  - Rename the Chapter to “Cannabis Activities” and remove language related to prohibiting commercial cannabis activities.
  - Establish a permitted use table for commercial cannabis activities.



# Amendments

## 17.18.040 Commercial Cannabis – Use Table

### Commercial Cannabis – Use Table<sup>1,2</sup>

<u>Commercial Cannabis Use</u>	<u>CC</u>	<u>CS</u>	<u>CH</u>	<u>CO-LG</u>	<u>CS-LG</u>	<u>CO-SL</u>	<u>NC-CL</u>	<u>IL</u>	<u>IG</u>	<u>IL-LG</u>	<u>IL-SL</u>
<u>Cannabis cultivation business</u>											
<u>Cannabis delivery business (stand-alone)</u>											
<u>Cannabis dispensary</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>
<u>Cannabis distribution business</u>											
<u>Cannabis manufacturing business</u>											
<u>Cannabis testing laboratory</u>											
<u>Cannabis microbusiness</u>											

CC – Community Commercial

CS – Commercial Service

CH – Commercial Highway

IL – Limited Industrial

IG – General Industrial

CO-LG – Commercial Office – Lathrop Gateway

CS-LG – Service Commercial – Lathrop Gateway

IL-LG – Limited Industrial – Lathrop Gateway

CO-SL – Commercial Office – South Lathrop

IL – SL – Limited Industrial – South Lathrop

NC-CL – Neighborhood Commercial – Central Lathrop

<sup>1</sup>Must comply with Chapter 5.26, Commercial Cannabis Regulations.

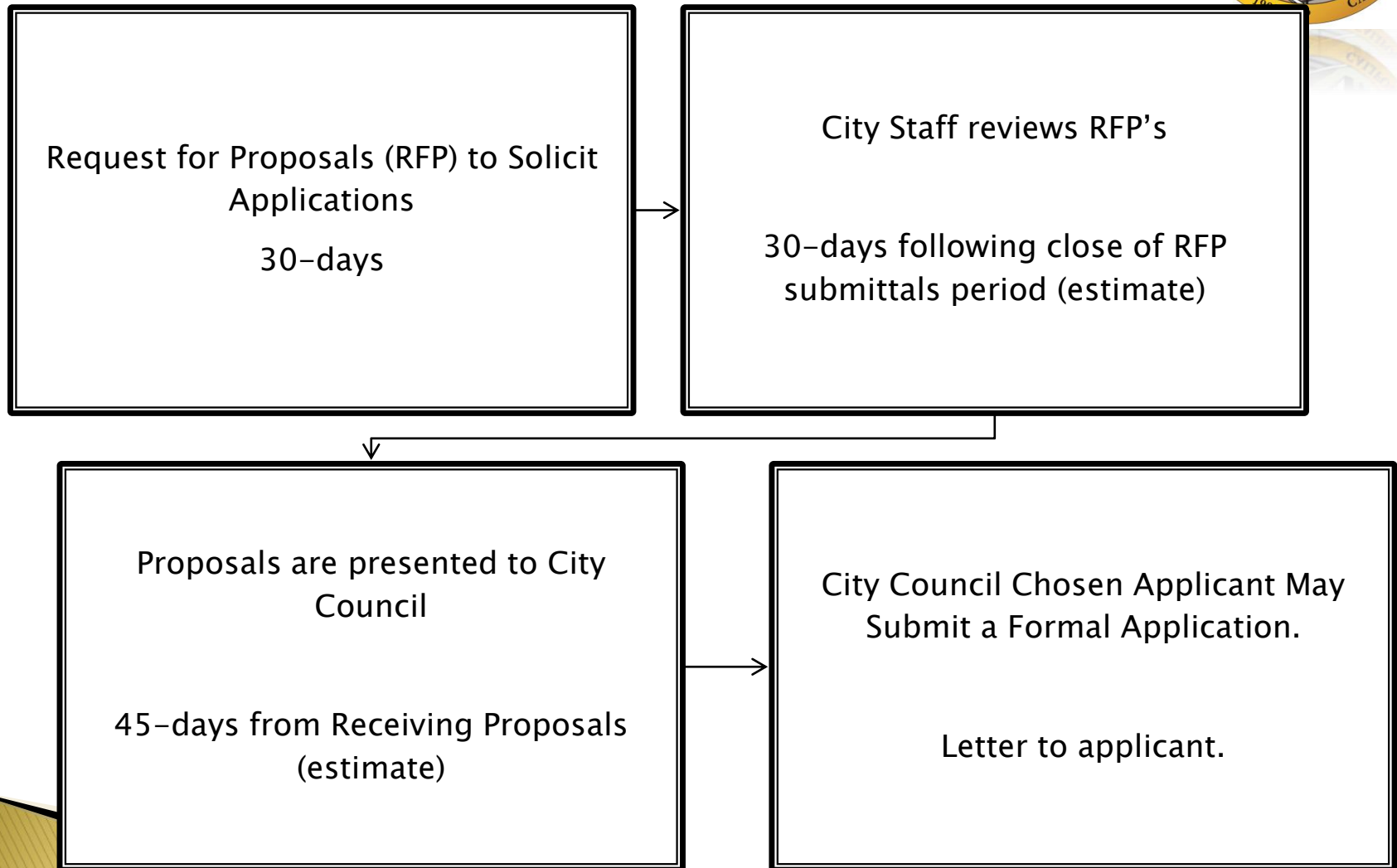
<sup>2</sup>Commercial cannabis use not listed or identified with a “C” in this Table are prohibited.

# Selection Criteria



- ▶ The Selection Criteria would establish a merit based system.
  
- ▶ Criteria include:
  - Prioritize Medicinal Cannabis Access
  - Geographic Preference/Neighborhood Relations
  - Facility Plan
  - Standards and Procedures for Safe Operation of Facilities
  - Prior Business Experience
  - Qualifications of Principals/Business Plan
  - Employee and Public Relations
  - Community Benefits

# Processing Procedure



# CEQA



- ▶ The proposed Municipal Code Amendment is exempt according to CEQA Article 5 Section 15061 by the “Common Sense Exemption” and Business and Professions Code Section 26055(h).

# Recommendation



- ▶ **Planning Commission and Staff Recommendation:**
- ▶ Conduct the Public Hearing; and
- ▶ Conduct First Reading and Introduce an Ordinance Amending Title 5, Business Licenses and Regulations, Chapter 5.04, Business Licenses Generally, Chapter 5.26, Prohibition Against Commercial Cannabis, and Title 17, Zoning, Chapter 17.18, Prohibited Cannabis Activities.
- ▶ Adopt a Resolution Establishing a Merit Based Selection Criteria.



# Questions / Comments?

# First Come vs. Selection Criteria



First Come First Serve	
Pros	Cons
<ul style="list-style-type: none"><li>• Less Processing Time.</li></ul>	<ul style="list-style-type: none"><li>• City May Receive a Less Desirable Application.</li><li>• No Objective Process to Select the Applicant.</li><li>• No Process to Ensure that the Applicant has the Capital to Operate a Cannabis Business.</li><li>• City may receive Multiple Applications at the same time.</li></ul>

# First Come vs. Selection Criteria



## Merit Based Selection Criteria

### Pros

- Clear Procedure for Selecting an Applicant.
- Objective Criteria for City Council to Review.
- Ensures that the Applicant has the Capital to Operate a Cannabis Business.
- City Council has the Final Decision on the Applications.

### Cons

- Processing time is 45 - 60 days longer compared to the First Come First Serve approach.