

Monterey County Draft
Medical Cannabis
Regulations

Board of Supervisors Hearing
July 12, 2016

Background

- ◉ Interim Ordinance adopted
- ◉ Draft regulations:
 - Ad Hoc Committee
 - Public Outreach
 - Other jurisdictions
 - State law (MMRSA)
 - Federal law (illegal)
 - Planning Commission workshop
 - Drafts updated
 - Environmental Review

Regulations

◎ Zoning Ordinances - **Adopt**

- Title 20 – Resolution of Intent
- Title 21 – Ordinance

◎ Non-zoning Ordinances - **Introduce**

- Chapter 7.90 – Business Permit
- Chapter 7.95 – Personal Permit
- Chapter 7.100 - Tax

Permit Process

Zoning

- Use Permit (Inland)
- Coastal Development Permit (Coastal)

Business

- Commercial Medical Cannabis Permit
- State License (2018)

Personal

- Exempt from Zoning Permits
- Personal Medical Cannabis Permit

Zoning Ordinances

- Uses added to Zoning Districts subject to a Use Permit or Coastal Development Permit in each case



LC, HC, **CGC** and **MLC**



LI, HI, AI, and HC



LI, HI, AI, F, and **CAP**



LI, HI, AI, and HC



LI, HI, AI, HC, and **MLC**



BEFORE



AFTER

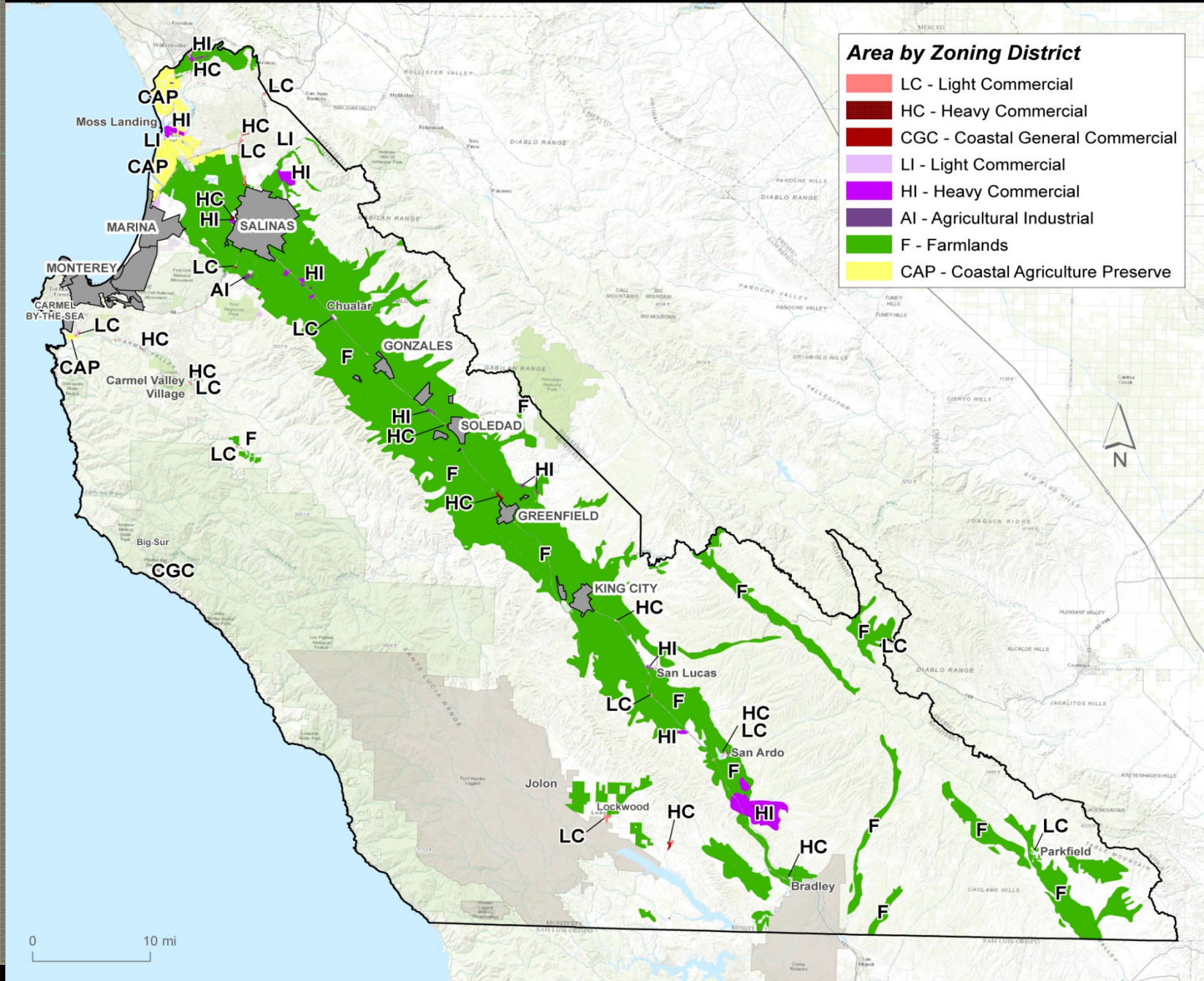






Cannabis Operations Potential Permissible Areas in Monterey County

County of Monterey
Resource Management Agency
Planning Division



Financial Picture

- ◎ **Permit Fees – Recover costs of Permitting**
 - Add Sheriff to UP and CDP Fee
 - Create new fees for Chapter 7.90 and 7.95 permits
 - HdL Companies conducting study
- ◎ **Tax – Offset costs of program implementation and help fund County services**

Example of County Cannabis Business Tax Implementation – Year by Year

	Cultivation	Nurseries	All Other Cannabis Business
Year 1 (1/1/2017)	\$15/sq. ft.	\$2/sq. ft.	5% Gross Receipts
Year 2 (7/1/2018)	\$15/sq. ft.	\$2/sq. ft.	5% Gross Receipts
Year 3 (7/1/2019)	\$15/sq. ft.	\$2/sq. ft.	5% Gross Receipts
Year 4 (7/1/2020)	\$20/sq. ft.	\$3.50/sq. ft.	7.5% Gross Receipts
Year 5 (7/1/2021)	\$25/sq. ft.	\$5/sq. ft.	10% Gross Receipts
Year 6 (7/1/2022)	\$25/sq. ft. + CPI	\$5/sq. ft. + CPI	10% Gross Receipts (No CPI)
Year 7 Onward	Prior Year + CPI	Prior Year + CPI	10% Gross Receipts (No CPI)

Comparison of Tax Rates

Other Jurisdictions – Draft Tax Rates as of 6-30-16

	Monterey County	Salinas	Gonzales	Greenfield	King City*
Starting/Minimum	\$15	\$15	\$15	\$15	11.47*
Maximum (NTE)	\$25	\$25	\$25	\$25	11.47*
Guaranteed Base Period	3 Years	3 Years	3 Years	None	None
Rate Increase Method	Automatic	City Council	City Council	City Council	City Council
CPI	Yes	Yes	Yes	No	No
Expected # of Permits	150-300	3	3	12 to 15	6 to 12

*King City proposing weighted tax: 5,000 sq. ft. or less = \$25/s.f.; 5,001sq. ft. or more = \$7.50/s.f. (Blended avg. of \$11.47/s.f.)

Initial Study

- ◉ **Less than significant effect**
- ◉ **Negative Declaration**
 - Circulated from May 20, 2016 through June 21, 2016
- ◉ **Comments**
 - Coastal Commission staff
- ◉ **Clarifications to language and process**
- ◉ **No new impacts**

Errata

◎ Resolution of Intent

- Recital Number 23, delete last sentence and add:

Commercial medical cannabis cultivation is considered an agricultural use. Public Resources Code section 30241 requires the maintenance of the maximum amount of prime agricultural land to assure the protection of the areas' agricultural economy. Conservation of viable agricultural lands is specifically emphasized in the North County Land Use Plan (Section 4.3.1.F). Medical cannabis cultivation can add to the agricultural economy in the Monterey County Coastal areas.

Planning Commission Recommendation

⦿ Not adopt as drafted

- 20 ideas provided for Board to consider (Exhibit B)
- Explore Outdoor cultivation
- Expand permitting opportunities
- Do not require permit for personal cultivation
- More time needed

⦿ Subsequent analysis would be required

- Would not meet Board timeline for consideration

Ad hoc committee recommendation

- ◎ Adopt as drafted
 - Incorporate PC recommendations 4, 6, and 7
 - Work with CCC staff to address concerns regarding Coastal-dependant industry
 - Consider more complicated options after getting these initial regulations in place
- ◎ Adopt Neg Dec
- ◎ Adopt Ordinance amending Title 21
- ◎ Adopt Resolution of Intent for Title 20
- ◎ Introduce, consider, and set hearing for:
 - Chapter 7.90
 - Chapter 7.95; and
 - Chapter 7.100

Map

- ◎ <http://montereyco.maps.arcgis.com/apps/webappviewer/index.html?id=7e547350530340bdaaa5458039adb9d0>