



## REPORT TO CITY COUNCIL

**To:** Honorable Mayor and Members of the City Council

**From:** Grant Yates, City Manager

**Prepared by:** Justin Kirk, Assistant Community Development Director

**Date:** April 23, 2019

**Subject:** Cannabis Land Use Ordinance Modification Recommendations from the Cannabis Subcommittee

### **Recommendation**

Review recommendations from the Cannabis Subcommittee and by motion provide direction on implementation.

### **Background**

In December, 2017 the City Council passed appropriate ordinance(s) to allow up to ten (10) cannabis-related businesses in the City of Lake Elsinore. At that time, it was anticipated that each applicant would likely apply for 22,000 square foot facilities (20,000 for cannabis production and 2,000 for office/administrative services based on interpretation of State Law), roughly equating to 220,000 SF. The City Council on December 11, 2018, approved 10 Cannabis businesses with a total area of 115,204 SF.

On April 3, 2019, the Cannabis Subcommittee met to discuss modifications to the City's Cannabis Ordinance and provided specific recommendations, detailed in the discussion section of this report, to be made to the full City Council for direction to be provided on their implementation.

### **Discussion**

The Cannabis Subcommittee as provided several specific recommendations as follows to the City's Cannabis Ordinance:

- Elimination of the cap on the number of licenses, five (5) per district and 10 total
- Focus on the use cap to be the total area contemplated as part of original discussions, not exceed approximately 220,000 SF
- Elimination of the 50% cap of the ratio of retail sales to the overall business income
- Facilitation of successful startup by allowing retail use to be permitted and to come on line prior to the cultivation or manufacturing uses for one year with specific provisions to be documented to provide the City with specific remedies to cease further operations, should the full build out not occur.
- Requirement that the establishment of use for new applications occur within one year or the CUP will expire.
- Minor clean up to the ordinances provisions, e.g. internal inconsistencies.
- No modifications to the Development Agreements or deal points are recommended.

Based upon the direction received from the full City Council, Staff will prepare the proposed modifications to the Lake Elsinore Municipal Code, in consultation with the City Attorney's office, for consideration for adoption by the City Council in May.