

STAFF REPORT

City Council Business Item

DATE: May 5, 2025

TO: Honorable Mayor and Council Members

FROM: Shari Meads, Community Development Director

THROUGH: Amy Nilsen, City Manager

SUBJECT: **Approve a \$49,750 Supplemental Budget Request and Authorize the City Manager to Execute a Professional Services Agreement with Land Logistics, Inc. to Prepare a Commercial Cannabis Program and Ordinance**

STAFF RECOMMENDATION:

The Community Development Department recommends that the City Council approve a \$49,750 Supplemental Budget Request and authorize the City Manager to execute a professional services agreement with Land Logistics, Inc. to prepare a commercial cannabis program and ordinance.

EXECUTIVE SUMMARY:

The City of Fortuna currently prohibits all forms of commercial cannabis activity. The Council has prioritized amending the Zoning regulations and developing a program to allow cannabis retail as a potential new revenue source.

The Community Development Director solicited proposals from Placeworks, Inc, Planwest Partners, and Land Logistics, Inc., to provide professional planning support for this project. Each of the firms is well-qualified and has worked extensively in Northern California, including the far North Coast.

Land Logistics, Inc. provided the most comprehensive and cost-effective proposal (Attachment 1). They have provided professional planning and development services at the Cities of Calistoga, Crescent City, Lincoln, Patterson, Richmond, Santa Rosa, Willits, Willows, the Counties of Humboldt, Siskiyou and Sonoma, as well as large retail and hospitality firms. The firm is headquartered in Davis, however the two planners who will be assigned to this project are based and live in Willits.

FINANCIAL IMPACT:

The funds requested in this Supplemental Budget Request (Attachment 2) will be utilized for services that cannot be charged to an applicant so the funds must be allocated from General Fund reserves. Allowing cannabis retail activity will generate new revenue for the City. Therefore, it is anticipated that the project will essentially pay for itself within an undetermined period. The salary of the Community Development Director, who will serve as project manager, is included in the City budget.

RECOMMENDED COUNCIL ACTION:

1. Receive staff presentation and review Council questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to approve a Supplemental Budget Request in the amount of \$49,750 and authorize the City Manager to execute a Professional Services Agreement with Land Logistics, Inc. to prepare a commercial cannabis program and ordinance. Voice Vote.

ATTACHMENTS:

1. Land Logistics, Inc. Proposal
2. Supplemental Budget Request