



**AGENDA SUMMARY
EUREKA CITY COUNCIL**

TITLE: Cannabis Retail Facility Invitations to Apply for Conditional Use Permits

DEPARTMENT: Development Services

PREPARED BY: Swan Asbury, Assistant Planner

PRESENTED FOR: Action Information only Discussion

RECOMMENDATION

1. Receive report; and
2. Invite the Humboldt Patient Resource Center to submit for a Use Permit Application to establish a cannabis retail facility; and
3. Invite MOCA Humboldt to submit for a Use Permit Application to establish a cannabis retail facility.

FISCAL IMPACT

No Fiscal Impact Included in Budget Additional Appropriation

DISCUSSION

Per EMC § 158.022 (C), the City may only approve up to two cannabis retail businesses every six months. The City implements this limitation established in the municipal code through the following process:

1. The City solicits a "Request for Proposals." Anyone that is interested in establishing a cannabis retail business may submit a proposal to the City.
2. A review panel then evaluates, scores, and ranks each proposal.
3. Utilizing the evaluations of the panel, the Development Services Director makes a recommendation to City Council.
4. The City Council approves up to two of the recommended businesses to begin the Conditional Use Permit process.
5. Staff works with the business to complete a Commercial Cannabis License and a Conditional Use Permit.
6. The Planning Commission reviews and approves/denies the Conditional Use Permit.

The above process was implemented in 2017 and the City Council approved one cannabis retail business (Eco Cann) at 306 F Street. The City is now implementing the same process for 2018. Up to two cannabis retail facilities can be approved in the first half of 2018 (January to June) and up to two other cannabis retail facilities can be approved in the second half of 2018 (July to December).

In September of 2017, the City Council directed staff to issue a Request for Proposals (RFP) for up to two cannabis retail facilities and on November 13 the City released an RFP. The City Manager approved a Cannabis Retail Facilities Selection Committee to review and rank the proposals. In early February, the City received 20 proposals, which were reviewed, evaluated, scored, and ranked by the Committee. Following the evaluation, the Committee recommends that the City Council invite two cannabis retail businesses to begin the Conditional Use Permit process for the first half of 2018. The Development Services Director concurs with the panel's recommendations.

The two recommended business are:

- The Humboldt Patient Resource Center, which is proposed to be located at 445 4th Street (at the intersection with F Street)



continued on next page...

- MOCA Humboldt proposed to be located at 204 4th Street (at the intersection with C Street)



These two proposals scored significantly higher than the other 18 proposals and were unanimously identified by the panel as having the best approach to establishing and operating cannabis retail businesses, the most professional business plans, most well-thought-out operations plans, and excellent qualifications. As a bonus, both of the proposed sites are chronically-vacant buildings in need of maintenance and repair. Additionally, both of these applicants have also been leasing their prospective locations for over a year in anticipation of this opportunity, demonstrating their commitment to their projects.

Staff will work with the businesses approved by Council to begin the Commercial Cannabis Licensing and Conditional Use Permit process. As with all Conditional Use Permits, the Use Permits will be reviewed and approved/denied by the Planning Commission. Denied Use Permits can be appealed to the City Council.

For the second half of 2018, the panel is scheduled to interview the next 10 highest-scoring businesses. In the coming months, staff will bring another two recommendations to City Council for the second half of 2018. If City Council continues to favor the limitation of two cannabis retail businesses every six months, then staff will issue a new Request for Proposals in late 2018 in preparation for 2019.

REVIEWED AND APPROVED BY:

- City Attorney
- City Clerk/Information Services
- Development Services
- Finance
- Fire
- Parks and Recreation
- Personnel
- Police
- Public Works