



**CITY OF SALINAS
COUNCIL REPORT**

DATE: NOVEMBER 7, 2023
TO: CITY COUNCIL
FROM: LISA BRINTON, COMMUNITY DEVELOPMENT DIRECTOR
BY: COURTNEY GROSSMAN, PLANNING MANAGER
TITLE: ORDINANCE AMENDING CHAPTER 5, ARTICLE VII OF THE SALINAS MUNICIPAL CODE; CANNABIS REGULATIONS

RECOMMENDED MOTION:

A motion to find Ordinance Amendment 2023-001 exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) and to adopt an Ordinance amending Cannabis regulations Chapter 5, Article VII of the Salinas Municipal Code.

EXECUTIVE SUMMARY:

Cannabis regulations are contained in the Salinas Municipal Code (SMC) under Article VII – CANNABIS within Chapter 5 - Public Peace and Morals. Currently, the number of permits allowed under each cannabis business types is limited. The proposed amendment would change cannabis regulations to combine Dispensary and Delivery business types to create additional opportunities for Dispensaries, reduce the required sensitive use buffer distance to align with state law, and add authority to the cannabis selection committee to approve a Retail Facility located within the non-state regulated sensitive use buffer, subject to findings. The proposed amendment has been reviewed by the City Council Cannabis Subcommittee.

BACKGROUND:

Commercial cannabis businesses have been operational in Salinas since 2017. Currently, permits are limited by business type and are competitively processed through various rounds of review and approval. Based on operator interest received and discussions of the Cannabis Subcommittee, it was identified that there is an insufficient number of permits available for Dispensaries. Currently, there are five (5) allowed and five (5) approved Dispensaries. At the same time, only one (1) of three (3) Delivery permits have been issued. The proposed amendment would modify the cannabis regulations as follows:

1. Combine Dispensary and Delivery business types under a new definition of Retail Facility, which could allow up to a total of eight (8) business permits in a combination of dispensary and delivery services thereby potentially creating additional opportunities for Dispensaries;
2. Reduce the required sensitive use buffer distance from 1,000 to 600 feet to align with state law; and
3. Add authority to the cannabis selection committee to approve a Retail Facility if located within a non-state regulated sensitive use buffer upon findings that the intent of this article would otherwise be met.

The proposed amendment is identified in the attached Ordinance with changes shown in ~~striketrough~~/ underline format.

CEQA CONSIDERATION:

The adoption of this Ordinance is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. It can be seen with certainty there is no possibility with the proposed amendment that the activity in question may have a significant effect on the environment. [CEQA Guidelines Section 15061(b)(3).]

STRATEGIC PLAN INITIATIVE:

This action supports the Council's goal of Economic Development by creating additional opportunities for Dispensaries under the new definition of Retail Facility, which may result in additional tax revenues.

DEPARTMENTAL COORDINATION:

This Ordinance Amendment (2023-001) to cannabis regulations has been coordinated with the Legal Department.

FISCAL AND SUSTAINABILITY IMPACT:

This item requires no additional expenditures or appropriations. Providing additional opportunities for Dispensaries may result in additional tax revenue generation.

ATTACHMENTS:

Draft Ordinance Amending Chapter 5, Article VII of the Salinas Municipal Code