



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

ERRATA SHEET

TO: Chair Jarick and Members of the Economic Development Commission
FROM: Haroon Noori, Management Analyst
MEETING DATE: July 11, 2019
SUBJECT: Errata Sheet for Item 8B – Subcommittee Report on Cannabis

Attached herein is the slightly modified version of “Attachment 1” for item 8B for your consideration at the July 11, 2019 Economic Development Commission meeting. All changes are redlined for reference.

RESPECTFULLY SUBMITTED:

Haroon Noori

Haroon Noori, Management Analyst



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AGENDA REPORT

TO: ~~Honorable Mayor and Members of the City Council~~

FROM: ~~The Economic Development Committee and Liaison Councilmember Jenny McAdams~~

MEETING DATE: ~~TBD~~

SUBJECT: ~~Cannabis Industry in Pacific Grove~~

CEQA: ~~Does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines~~

RECOMMENDATION

1. Receive the Economic Development Commission's report on "Cannabis Industry in Pacific Grove".
2. Direct staff as to next steps.

DISCUSSION

The Economic Development Commission (EDC) is charged with improving the City's business and economic environment by providing the framework for developing and maintaining a viable business community within the City of Pacific Grove that serves the needs of both residents and visitors alike, while providing the tax base upon which our City government depends to fund its programs, services, infrastructure, and public facilities.

At the meetings of March 14, 2019, April 11, 2019 and May 9, 2019, the EDC discussed the possibility of allowing cannabis businesses in Pacific Grove. Mia Jarick, the chair of the Economic Development Commission appointed a subcommittee of three members to research and ascertain information pertaining to cannabis businesses. The members of the subcommittee included Mia Jarick, Chair, Marietta Bain, and Tama Olver.

The Subcommittee performed the following

1. Interviews with stakeholders including elected officials, representatives of cannabis businesses, the City Manager, and the Chief of Police
2. Review of the following:
 - a. City of Pacific Grove's existing regulations and ordinances;
 - b. Regulatory environment changes;
 - c. Tax rates and associated revenues
 - d. Information about the California cannabis industry since 2016 including trends and impacts on communities.

A draft report including recommendations and report was developed and approved by consensus of the subcommittee. The subcommittee took the report and recommendations and report to the EDC on July 11th, 2019. The EDC, by a vote of _____ “Yes,” _____ “No,” and _____ “Abstaining,” asked City Council Liaison Jenny McAdams to acquire time on a City Council Agenda for delivery of the report and associated recommendations.

Below are the recommendations from the EDC:

1. Direct staff to hold community meetings to ascertain current community interests and concerns.
2. ~~City Council direct the City Manager to prepare a draft ordinance that would:~~ Convene a discussion at City Council to include the following proposals:
 - a) Rescinding the current moratorium on cannabis businesses in Pacific Grove,
 - b) Permitting operation of one retail dispensary offering medical and recreational cannabis, and a business offering cannabis home delivery that might be operated separately, in a location that conforms to California State restrictions,
 - c) Permitting operation of cannabis research and testing facilities in all commercial districts,
 - d) ~~Include a~~ Assessing 10% tax on gross receipts of marijuana businesses.
 - e) ~~Adopt a~~ Adopting a resolution to add one ballot initiative to the 2020 election to impose a 10% tax on gross receipts of cannabis businesses.
3. Direct City staff as appropriate following Council discussion.

OPTIONS

1. Take no action.
2. Accept the recommendations (some or all).
3. Provide alternative direction to staff.

FISCAL IMPACT

1. A one-time expense of \$8,500 in estimated fees to the Monterey County Elections Department to cover the cost of the recommended ballot measure.
2. The Commission offers the following table for consideration when estimating cannabis revenues:

Anticipated Gross Revenue	Tax Rate: 10%		Anticipated Gross Revenue	Tax Rate: 10%
\$750,000	\$75,000		\$2,000,000	\$200,000
\$1,000,000	\$100,000		\$2,250,000	\$225,000
\$1,250,000	\$125,000		\$2,500,000	\$250,000
\$1,500,000	\$150,000		\$2,500,000	\$250,000
\$1,750,000	\$175,000		\$3,000,000	\$300,000

GOAL ALIGNMENT

Financial Stability

Help Local Businesses Thrive

ATTACHMENTS

1. Economic Development Subcommittee's Cannabis Report
2. Cannabis Zoning Map

RESPECTFULLY SUBMITTED:

REVIEWED BY:

Mia Jariek
Economic Development Committee Chair

Ben Harvey
City Manager

Jenny McAdams
Councilmember

DRAFT