

Commercial cannabis: Council gives staff final guides

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The City Council gave staff its final directions Feb. 3 to prepare a draft commercial cannabis regulation for Crescent City, although not by unanimous vote.

Council members disagreed on which facilities to impose a 600-foot setback for potential new cannabis businesses. Council members Jason Greenough and Isaiah Wright wanted to stick with the state guideline of setback requirements near schools, youth centers and daycare centers.

They were outvoted by Mayor Blake Inscore, Mayor Pro Tem Heidi Kime and Councilmember Alex Fallman to keep the limitations near schools and daycare centers. Kime and Fallman initially only wanted setbacks on schools, but Inscore proposed the compromise vote.

During public comment, Darrin Short, running for Del Norte County Supervisor District 1 seat, said the City Council needed to err on the side of caution and include all three youth facilities.

“As I was reviewing Prop. 64 (the voter initiative passed in 2016 to legalize cannabis), reading the intent of the laws, it talked about schools, youth centers and daycare centers,” Short said. “It also mentioned ‘any other place children gather.’ The intent is to keep this away from kids. In my opinion, a youth center is full of those kind of kids this idea is meant to protect.”

For most of the City Council members, including all three was overkill.

“If the conversation is about protecting children, the youth centers and daycares are overseen by adults,” Kime argued. “To me, it seems unnecessary and a bit of an overreach to include those. Schools you have children walking to and from school without supervision. While they’re at school, they’re protected. To me, that’s the only location that deserves a setback.”

While Greenough agreed to disagree with Kime, Inscore said he felt safety would be built into the process.

“I’m not concerned a grade-school aged student is going to be walking by and happen to find their way into a cannabis retail store,” he said. “My concern is really about zoning standpoint of where we place a business. I have no doubt that safety is going to be the number-one priority for any of these businesses that come in here because they will never last if they don’t ensure that.”

Wright said he knew of at least three home daycare centers not on the map city staff produced showing the impact on potential locations for cannabis businesses after the 600-foot setback was imposed. Gary Reese, of SHN Consulting Engineers & Geologists, said they excluded those operating out of homes because they don’t meet the state definition of a daycare center. Reese added the proposed ordinance would include an exception process for new businesses.

“This is a living map,” Reese said. “So, when somebody comes in for a cannabis-use permit application, it will be reviewed on an individual basis, where sensitive land uses are located that require setbacks. Oftentimes, other jurisdictions require the applicant to submit a map to show the boundaries of their site where the nearest sensitive land uses are and to demonstrate that they’re meeting the setbacks or to submit that as part of an exception they’re requesting. So, even though we may not have everything on the map tonight, once you adopt your ordinance, these things would be looked at for each application.”

Addressing other areas of the ordinance, Greenough said while council members agreed that anyone handling marijuana, whether selling or growing, needed to be 21, he wanted clarification if that requirement was contained within the state guidelines or if it would have to be imposed in the city’s proposal.

Before the end of the discussion, Police Chief Richard Griffin was able to find in the state’s business and professions code section which mandates employees of cannabis licensees must be 21 or older.

Greenough broached one final topic of discussion.

“We haven’t talked about fees or taxes yet, not that I’m tax hungry. I can’t stand paying more than I have to the government,” Greenough said. “With business and regulations comes cost.”

City Manager Wier said the annual business license cost in Crescent City is based on the number of employees, and is under \$100 for a lot of businesses.

“The intent in this ordinance is to have it be a full-cost recovery ordinance. So it says use permit fee will be set by resolution for cannabis businesses,” Wier said.

Kime cautioned against making the cost too high of recovering city staff time enforcing the cannabis code.

“Let’s face it. This community has a difficult time starting a business. It is not a business-friendly environment. ... So, I’m very hesitant to put all these requirements on someone that’s trying to get started, trying to do something responsibly,” Kime said.

Reese pointed as an example to the City of Arcata, which charges about \$3,000 for a use permit while Humboldt County adds \$5,000.

“Currently Crescent City is \$61.30. A Dec. 16 staff report itemized all the potential fees that might apply. Without that surety bond of \$15,000,” Reese said, adding that would add another 10%, or \$1,500, cost for insurance, “you’re looking at between \$600 to \$1,300 upfront to get the permit in addition to an annual business license between \$3,100 to \$5,200.”

Wier agreed to have city staff draw up initial figures by the April 2 first reading of the final cannabis ordinance and have solid numbers to the City Council by March 2.