

Crescent City finalizes its cannabis ordinance

March 24, 2020



After nearly two and a half years of back and forth with the Planning Commission, the City Council adopted a new commercial cannabis ordinance on March 16.

Due to social distancing guidelines for the COVID-19 outbreak, Mayor Pro Tem Heidi Kime, Councilmember Isaiah Wright and Public Works Director Jon Olson all participated by online teleconference tool Zoom.

The ordinance outlines under chapter 17.95 to the city's Municipal Code requirements for prospective retailers, including:

- Operating at least 600 feet from a K12 school and a formal daycare center.
- It allows commercial cannabis storefront and delivery retail, indoor cultivation and manufacturing in the city's commercial, downtown business, commercial waterfront and highway services districts.
- Indoor cultivation is limited to 2,000 square feet

- Prohibits the use of volatile chemicals in manufacturing.
- Allows for commercial cannabis testing laboratories.
- Prohibits on-site use and outdoor cultivation.
- Prohibits mobile vending or drive-through retail.
- Prohibits off-site advertising within 1,000 feet of schools, daycare centers, youth centers, public libraries and parks.

Councilor Jason Greenough revisited his objection from the Feb. 3 City Council meeting over the 600-foot setback from retailers and youth centers.

“People who are youth are more susceptible to wanting to get a hold of this. The fact is people go into stores and they pick up cigarettes, they pick up booze. They can pick up marijuana from these dispensaries and they can take them outside and sell them to people who ought not have them,” Greenough said.

Kime renewed her objection to setbacks from youth centers for cannabis retailers, stating her belief it would not protect children.

“If children are going to get this, they’re going to get it illegally. If you truly want to protect children, you will do absolutely everything to make this reasonable and easy for these businesses to come out of the darkness and into the light,” Kime argued.

Greenough made another motion on Monday, echoing his failed attempt Feb. 3, to require the ordinance to have a 600-foot setback from retailers and youth centers. Again, Wright seconded Greenough’s motion, but the vote failed again by a 2-3 vote with Kime, Mayor Blake Inscore and Councilor Alex Fallman dissenting.

Where they did agree is setting operating hours for cannabis retailers from 6 a.m. to 10 p.m., which was in line with the state’s recommended guidelines, rather than the city staff’s recommendation of 8 a.m. to 8 p.m.

Kime said she didn’t remember seeing regulations governing operating hours in previous commercial cannabis discussions.

“The market should guide a business owner’s determination of when to be open. During the summer people are still driving into town at 9 p.m. when it’s still light out. Maybe there’s someone who doesn’t realize they need a product and it’s 7:45 and there’s no way they can get down there. I just feel like imposing this on a retail business is an overstep of our authority,” Kime said.

Inscore feared for the future of the ordinance under the current emergency declaration due to the COVID-19 coronavirus. As it takes 30 days to enact after adoption, or around April 6, Inscore pointed out it would be May before anyone could open a commercial cannabis operation in Crescent City. He worried staff hours and any fees involved for processing permit applications, which are uncertain at this point and could still be if the social distancing guidelines continue.

“As a way to maybe encourage as seamless a process for potential new businesses as possible, I would ask that maybe we underestimate that and not over-estimate that cost right now,” he said. “The City Council should determine whether the fees should be changed when it sets the city’s fee schedule. I would like to make it as easy as possible for a person who is interested in beginning this business. We don’t know what that number is going to be. We don’t have any way of estimating that.”

Olson said at this point, the city does not have “huge expectations” with regard to the number of commercial cannabis operations wanting to open in the city.

“There will be some revenue generated, but we really don’t see this as being a huge revenue generator. The city does intend to issue permits based on a cost-recovery model,” he said.

Olson explained that a standard conditional use permit is between \$600 to \$700. He added that since a commercial cannabis operation would likely have enhancements, he expects to recommend starting at \$1,000 for the administrative costs to issue and monitor a permit.