

RESOLUTION NO. 2018-140

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON
AMENDING THE MASTER FEE RESOLUTION TO INCORPORATE A NEW FEE TO
PROCESS CANNABIS BUSINESS PERMITS AND ESTABLISH AN ADMINISTRATIVE
CANNABIS BUSINESS PERMIT PROCESS INCLUDING LIMITS ON THE NUMBER OF
CANNABIS BUSINESS PERMITS IN THE CITY OF AMERICAN CANYON**

WHEREAS, on October 18, 2018, the City's "Cannabis Ordinance" became effective (American Canyon Municipal Code Chapter 5.10); and

WHEREAS, according to American Canyon Municipal Code Section 5.10.060, commercial cannabis business is limited to: Indoor Commercial Cultivation, Manufacturing, Distribution, Retail Non-Storefront, Testing Labs, and Microbusinesses that shall include only Indoor Cultivation, Distribution, Manufacturing, Testing Labs, and Retail Non-Storefront, for cannabis and cannabis products; and

WHEREAS, Commercial Cannabis Business Permits needed to implement the Cannabis Ordinance requires the City to incur costs to ensure the applications comply with the City's Municipal Code and related ordinances and policies; and

WHEREAS, recovery of the cost of providing governmental services to the fullest extent possible is of concern to the economic health of the City, and thereby the health, safety and welfare of the residents of the City of American Canyon; and

WHEREAS, the City's fiscal policy requires that the City match fees and charges with the cost of providing service, except in cases where the social benefit impact outweighs the objective of full cost recovery; and

WHEREAS, key user fees are incorporated in the City's Master Schedule; and

WHEREAS, user fees were calculated to match the cost of providing service in accordance to fiscal policy; and

WHEREAS, because the Cannabis Permit processing fee is a deposit, the actual cost to process the application may be more or less than the deposit amount; and

WHEREAS, developing a fee for Cannabis Permit will help streamline the ministerial permit process; and

WHEREAS, American Canyon Municipal Code Section 5.10.080 authorizes the City Council by resolution to limit the number of commercial cannabis business that shall be permitted to operate in the City; and

WHEREAS, on October 2, 2018, the City Council established a short-term Ad-Hoc “Cannabis Business Criteria Advisory Committee” by Resolution 2018-111 consisting of One (1) City Councilmember, One (1) Planning Commissioner, One (1) Cannabis industry representative, and Consultants and staff as needed to refine City Council direction on the number of businesses permits the City will issue, and criteria to decide which businesses may be allowed to apply for a permit; and

WHEREAS, the City Council considered all of the written and oral testimony presented at the public hearing on December 18, 2018 in making its decision.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF AMERICAN CANYON DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1: Limits on Commercial Cannabis Permits The City shall issue no more than six (6) Commercial Cannabis Business Permits. The Cannabis Permit limitation represents the sum of permits issued for the following types of Commercial Cannabis Businesses: Commercial Cultivation, Manufacturing, Distribution, Testing Labs, and Microbusinesses that shall include only Indoor Cultivation, Distribution, Manufacturing, Testing Labs, and Retail Non-Storefront, for cannabis and cannabis products.

SECTION 2: Commercial Cannabis Business Permit Application Period

The City Council, at its discretion, shall declare a 45-day Commercial Cannabis Business Permit application period by Minute Order during a regularly scheduled meeting (“Application Period”). The declared Application Period shall be published in a newspaper of general circulation at least 10 days prior to the beginning of the Application Period. Unless exempt from the Commercial Cannabis Business Permit limit, the City shall only accept Cannabis Business Permit applications during the Application Period.

SECTION 3: Commercial Cannabis Business Selection Criteria

The Commercial Cannabis Business Permit applications received during the Application Period shall be subject to the Commercial Cannabis Business Selection Criteria (“Selection Criteria”) whenever the total number of applications plus City-issued Commercial Cannabis Business Permits exceeds six (6). Commercial Cannabis Business Permit applications that are disqualified or exempt from Limits on Commercial Cannabis Permits shall not count toward the six (6)-permit limit.

Table 1 – Commercial Cannabis Business Selection Criteria

#	Criteria	Maximum Points
1.	Strong Business Plan	150
2.	Employee Compensation	100
3.	Plan to Recruit Local Employees	100
4.	Locally-Sourced Cannabis	100
5.	Community Benefits	<u>150</u>
Total Points		600

With regard to Criteria #4 – Locally-Sourced Cannabis, the City Council acknowledges that even though Indoor Cannabis Cultivation is allowable, there are currently no businesses permitted to cultivate cannabis. Because there is currently no legal source of local cannabis, Applicants will not be rejected if they are unable to obtain a local cannabis source. Applicants that include indoor cultivation in their application or partner with an indoor cultivation applicant will obtain points for including local cannabis in their business plan.

SECTION 4: Master Fee Schedule

The Commercial Cannabis Permit fees shall be added to the City’s Master Fee Schedule as shown below:

Table 2 – Commercial Cannabis Business Permit Fee Schedule

No.	Fee	Fee Type	Fee Amount
1.	Commercial Cannabis Permit	Initial Deposit	\$8,400
		Minimum Deposit	\$4,000
2.	Cannabis Business Permit License Annual Renewal	Fee	\$2,186
3.	Cannabis Employee Permit (In Town and Out of Town Business)	Fee	\$ 184
4.	Cannabis Employee Permit Annual Renewal (In Town and Out of Town Business)	Fee	\$ 151
5.	Appeal Fee - Cannabis Business Permit Denial	Fee	\$1,836
6.	Cannabis Business Ownership Transfer Fee	Fee (per person)	\$ 300
7.	Cannabis Delivery Business License – Out of Town Initial Permit and Annual Renewal	Fee	\$ 350

Payment for the Deposit and Fees will only be accepted by credit card or cashiers check drawn on a financial institution registered in the United States. No cash will be accepted at City Hall.

Commercial Cannabis Business Permit applications will be billed monthly. Applicants will be required to maintain the minimum deposit until the application has been approved and all costs have been paid. Following closeout of the project, any deposit balance will be returned to the applicant.

SECTION 5: Cannabis Business Permit Fee Inflation Adjustment

Commencing the first City Council meeting after January 1, 2020, and at the same schedule annually thereafter, the City shall adjust the Commercial Cannabis Business Permit rates in the Master Fee Schedule to the annual percent change of the Consumer Price Index ("CPI") for All Urban Consumers for the San Francisco, Oakland, and San Jose Metropolitan Areas as published by the Bureau of Labor Statistics for the 12-month period ending nearest, but at least sixty (60) days prior to, the Adjustment Date.


PASSED, APPROVED and ADOPTED at a regularly scheduled meeting of the City Council of the City of American Canyon held on the 18th day of December, 2018, by the following vote:

AYES: Council Members Aboudamous, Joseph, Oro, Vice Mayor Leary and Mayor Garcia
NOES: None
ABSTAIN: None
ABSENT: None



Leon Garcia, Mayor

ATTEST:



Suellen Johnston, CMC, City Clerk