



DATE: June 25, 2019

CATEGORY: Consent

DEPT.: Community Development, City Attorney's Office, and Finance and Administrative Services

TITLE: **Amendments to Cannabis Business Regulations (Second Reading)**

RECOMMENDATION

Adopt an Ordinance Amending Cannabis Regulations in Article V, Division 2, and Article VI, Divisions 2 and 3, of Chapter 36, to Amend Land Use and Permitting Requirements to Prohibit Storefront Retail Cannabis Businesses within the City, to be read in title only, further reading waived (Attachment 1 to the Council report). (First reading: 7-0)

SUMMARY

This item is the completion of actions necessary to implement Council's direction to amend the cannabis business regulations given on May 23, 2019. In May, Council introduced an ordinance that prohibits storefront retail cannabis businesses, maintains existing sensitive use buffers, establishes a minimum distance of 600' between cannabis businesses, and establishes a maximum number of three nonstorefront cannabis businesses in the City. Council also adopted a resolution prohibiting cannabis businesses in the San Antonio (P-40) Precise Plan and gave policy direction on the application process.

Due to the complexity of these regulatory changes, Council's actions anticipated and authorized staff to return with other amendments deemed necessary to consistently implement the new regulations. On June 11, 2019, Council adopted the ordinance prohibiting nonstorefront businesses, amended various Precise Plans and the City's Master Fee Schedule, and established a tax rate of 9 percent of gross receipts to consistently implement the amendments.

This ordinance was introduced on June 11, 2019 and amends various land use and permit provisions of the City Code which implement the prohibition of storefront retail cannabis businesses within the City. A second reading is required to adopt the ordinance.

FISCAL IMPACT

All permitting, regulation, and enforcement processes related to cannabis businesses will be cost-recovered.

The City estimates possible annual revenue of \$600,000 in local taxes, based on a 9 percent rate. The cannabis business tax is a general tax enacted for general municipal purposes such as public safety, transportation, library, park maintenance, and senior services. All tax proceeds would go into the City's General Operating Fund. The City could use the tax revenues for any legitimate governmental purpose.

ALTERNATIVE

The City Council could choose not to adopt the ordinance.

PUBLIC NOTICING

Agenda posting. The ordinance was published at least two days prior to adoption in accordance with City Charter Section 522.

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Attachment: 1. Ordinance Amending Chapter 36, Article V and Article VI