

# Memorandum

To: Ms. Elizabeth Hause, Assistant to the City Manager, City of Redondo Beach  
Mr. Mike Webb, City Attorney, City of Redondo Beach  
From: Mr. John Yonai, Mr. Jason Chiang, Ms. Jane McFarren, & Mr. Rob Hoffman, Tierra West Advisors  
Date: April 18, 2024

## **RE: Objective 1 - Review & Recommendations on the City's Draft Cannabis Regulatory Ordinance Documents**

Ms. Hause and Mr. Webb:

Tierra West Advisors (“Tierra West”) has completed its initial review of the background items provided by City Staff, pursuant to the consultant team’s Scope of Services Objective 1 task to review the City’s Cannabis Regulatory Ordinance documents. Having previously provided examples of topline items that the consultant team has documented during its review, as well as our initial recommendations, please find below a Summary of the consultant team’s redline edits to the City’s Chapter 6 Commercial Cannabis Activity ordinance.

### **Chapter 6 COMMERCIAL CANNABIS ACTIVITY – CONSULTANT REDLINE SUMMARY**

§ 6-6.01 Definitions.

- Added Commercial Cannabis Activity definitions from Redondo Beach Municipal Code (RBMC) Section 102.1626 for added clarity
- Additional definitions added by consultant team

§ 6-6.02 Commercial cannabis permit required to engage in commercial cannabis activity.

- Section expanded by consultant team
- Added conditional use permit and zoning language

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- Added draft language for a Location requirement

#### § 6-6.03 Application procedure.

- This section is being completely overhauled by the consultant team
- Limit amount of separate Phases in the application process; goal is for a more concise application process and less liability for City
- Revised rating criteria and point system
- Establish clear scoring rubric for easy and consistent application by review panel; apply fewer total points in Evaluation Criteria so that points are more meaningful, objective, and less subjective (limit applicant appeals and City's overall liability)
  - Sample five (5) point Evaluation Criteria scoring rubric: 0 = no content provided, 1 = limited or below minimum information provided, 2 = minimum information provided, 3 = all information provided and offers additional benefits, 4 = all information provided with additional benefits and quality standards, 5 = information exceeds request and offers highest quality standards.
  - Recommendation of scoring scale of two hundred (200) total points for each application; with five (5) total reviewers, resulting in a Total Score of one thousand (1000) points per application
  - This rubric has been successful and clear in previous municipalities the consultant team has implemented commercial cannabis applications

#### § 6-6.04 Fees and charges.

- To include items and recommendations from the consultant team's Cost Recovery Fee Analysis

#### **\*Proposed New Section to Require a City Business Tax Certificate before commencing operations**

#### § 6-6.05 Development Agreement and operating standards.

- Adds requirements for operator to notify City after inventory discrepancies, theft/loss/criminal activity, loss of records, or any other breach of security

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- Expanded language on General Operating Requirements
  - Adds language that allows City Manager to develop additional cannabis retailer operational requirements or regulations for the retail sale of cannabis and cannabis products in the City as are determined to be necessary to protect the public health, safety, and welfare

**\*Proposed New Section adding Operating Requirements for Out-of-City Delivery Services**

**\*Proposed New Section addressing Permissible Delivery Locations and Customers**

§ 6-6.06 No transfer or change in ownership of location.

- Expanded language regarding transfer/change in ownership of location
- Provides more control/discretion to City Manager

§ 6-6.07 Minimum security requirements.

**\*Proposed New Section adding Employment and Labor/Peace Agreement for permittee with twenty (20) or more employees**

§ 6-6.08 County Health Permit.

§ 6-6.09 Criminal penalties.

- Expanded language that clarifies fines and other criminal penalties

§ 6-6.10 Violations.

- Expanded language stating that the permittee, owner, and property owner are responsible for violations
- Expanded language regarding violations declared a public nuisance
- Expanded language regarding Each Violation as a Separate Offense

§ 6-6.11 Audits.

§ 6-6.12 Records.

- Expanded section on cannabis retailer records and recordkeeping requirements

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§ 6-6.13 Compliance with laws.

- Expanded language on Promulgation of Regulations, Standards, and Other Legal Duties

§ 6-6.14 Interpretation.

§ 6-6.15 Severability.

§ 6-6.16 Limitation of liability.

- Expanded the limitation of the City's liability

§ 6-6.17 Suspension, revocation or modification of permits.

**\*Proposed New Section to address Abandonment of Permit**

**\*Proposed New Section to address Reapplying for a Cannabis Business Permit**

**\*Proposed New Section to address Effect of State License Suspension /Revocation /Termination**

**\*Proposed New Section to address Change in Location & Updated Application Information**

**\*Proposed New Section Placing Restriction on Alcohol and Tobacco Sales on premises of the cannabis retailer**

**\*Proposed New Section that requires each cannabis retailer to provide a Community Relations contact to whom notice of problems associated with the cannabis retailer can be provided**

**\*Proposed New Section regarding Inspection and Enforcement**

**\*Proposed New Section regarding Sensitive Uses (day care centers, public parks, schools, and youth centers) and documentation of their County Assessor's Identification Numbers**