

Section	Current Ordinance Language	HdL Comment	Staff Comment
6-2.03(b)	"Whether to issue a solicitation for applications, the manner of accepting applications, the manner of application review, and whether to approve or deny any such application shall be subject to the sole and absolute discretion of the City Council ."	Most cities provide for the City Manager (or designee) to create reasonable rules/regulations to administer the application process. e.g. cities will sometimes have an "FAQ" page to clarify certain requirements, after the process has been adopted by City Council. With this language, the FAQ would may also have to be approved by City Council to take effect.	Incorporate City Manager or designee language as it relates to accepting/reviewing/administering applications. However, approval/denial left at the sole discretion of City Council.
6-2.04(b)	"In addition to the fees specified in subsection (a), applicants and Permittees shall timely pay all other applicable fees, including, but not limited to, fees associated with processing applications for conditional use permits, Development Agreements, building permits, and plan checks , as well as the city's cost of preparing a Development Agreement."	Add reference to background check fees.	As is, language already is broad enough to include other fees not listed including background check fees.
6-2.04(c)	"In addition to the fees set forth in this ordinance, a Development Agreement may provide for a Permittee to pay the city a fair share contribution towards the city's costs incurred. Such costs may include, without limitation, enforcing the provisions of this ordinance, inspecting for and remediating any direct or secondary negative impacts of the commercial cannabis activities, and mitigating impacts to the city's existing public facilities caused by the commercial cannabis facility. If applicable, the remediation payments described in this ordinance shall be memorialized in a Development Agreement, and paid by a Permittee to the city in strict accordance with the terms thereof."	Annual regulatory costs would be better covered under an annual "permitting fee" or "regulatory fee" established outside of the Development Agreement negotiation process.	Keep Ordinance language as is.
6-2.05(b)	A fee of no more than 5% of gross receipts may be required in the Development Agreement. Such a fee shall be negotiated with Permittees and incorporated into the subsequent Development Agreement . This fee is to sunset upon the establishment of a local commercial cannabis tax.	Other cities have taken the position that fee must be "negotiated" through application process, by having businesses propose the fee amount to the City. City may consider/score/rank proposed rates, and factor the fee amount into selection process.	Ordinance language is flexible enough that it's setting a ceiling and not setting the fee. However, staff added language to ensure that it is clear that the fee is to be negotiated with the applicant in the Development Agreement.

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6-2.05(c)(2)	"Persons under the age of twenty-one (21) shall be prohibited from the premises at all times, other than as lawful customers permitted under State law in the case of Medicinal cannabis retailers. If such retail establishment sells Medicinal cannabis, persons under the age of twenty-one (21) and over the age of eighteen (18) shall be permitted to enter the establishment only after verification that they possess a valid Medical Marijuana ID card."	Recommend checking against State law. I believe persons 18+ can gain access with MMID or physician's recommendation. MMID's are becoming less and less common over time.	The concern regarding teen/underage access to such facilities is a major player in all discussions on the subject of cannabis sales regulations in RB. Anything seen to water down or diminish enforcement of the age requirements may cause concern for community members.
6-2.05(c)(17)	"Whether or not Applicants have obtained a property for the purposes of their commercial cannabis business prior to their selection, shall have no bearing on their selection."	What does "obtained" mean? Most (if not all) cities require, at a minimum, that businesses obtain property owner authorization to apply for a cannabis business license from that location. HdL recommends limiting applications to no more than two per location. May need to clarify that "obtain" means lease/own. Or, are you suggesting that applicants do not have to identify a location to apply for a license? If that's the case, City should anticipate a significant number of applications, since location is one of the only factors limiting number of applications that a city will receive.	The direction of the Planning Commission and City Council is clear: a location need not be secured by an Applicant prior to seeking a commercial cannabis license from the City. Regarding the location allowing such activities to take place, that issue is addressed in subsequent Section 6-2.06(b) "Before exercising any rights under a Development Agreement, Permittees shall demonstrate proof of lawful possession of the premises where commercial cannabis activities are proposed to take place." As such, this provision was not amended.
6-2.12(b)	"Upon institution of a city-wide cannabis tax, it shall be the duty of every owner and operator of a commercial cannabis business to keep all records as may be necessary to determine the amount of tax due hereunder and shall preserve the same for a period of four years. The Finance Director shall have the right to inspect such records at all reasonable times. The finance director shall determine the mode and method of recordkeeping required to assist the tax collector to perform the duties required of him under this section. At the time of permit renewal, each owner and operator shall submit to the city a financial audit of the business's operations conducted by an independent certified public accountant. Each permittee shall be subject to a regulatory compliance review and financial audit as determined by the finance director. <i>The Finance Director shall be authorized to engage a third-party to perform such audit(s).</i> "	City may want to grant Finance Director ability to hire third-party auditor. Some businesses might interpret this to mean that only City staff have ability inspect records. Most cities do not have staff/expertise needed to efficiently/effectively audit cannabis businesses.	Per HdL's suggestion, staff added language specifically permitting the Finance Director to engage a third-party auditor.