INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

The City Attorney has prepared the following ballot title and summary of the chief purposes and points of the proposed initiative measure:

Ballot Title

AN INITIATIVE ORDINANCE TO (1) ALLOW A MAXIMUM OF THREE CANNABIS RETAILERS IN REDONDO BEACH; (2) REPEAL THE CITY'S PROHIBITION ON COMMERCIAL CANNABIS ACTIVITY (EXCEPT FOR DELIVERIES OF MEDICINAL CANNABIS) AND ALLOW THE CITY COUNCIL DISCRETION TO LEGALIZE OTHER CANNABIS USES; AND (3) IMPOSE OPERATIONAL, DESIGN, AND LOCATION REQUIREMENTS ON SUCH BUSINESSES

Summary of Proposed Measure

All commercial cannabis activities except for deliveries of medicinal cannabis are currently illegal in Redondo Beach under Municipal Code Sections 10-2.1626 and 10.5-1626.

The proposed initiative ordinance would:

- 1. Require the City Manager to issue a non-discretionary cannabis retail (dispensary) permit to three businesses pursuant to a point based selection process that contains minimum requirements, a 30-day application period, quantitative evaluation and ranking criteria, processing deadlines, and tie-breaking rules;
- 2. Allow permitted retailers to operate in the C-1, C-2, C-2A, C-2B, C-3, C-3A, C-3B, C-4, C-4A, and C-4B zones on property located a specified distance from "sensitive uses" (more than 1000 feet from schools or day care centers and 600 feet from youth centers). The schools, youth centers and day care centers that qualify as "sensitive uses" are identified in the Initiative;
- 3. Once a cannabis retailer is issued a certificate of occupancy, allow only permitted retailers to conduct deliveries in the City subject to operational regulations;
- 4. Legalize commercial cannabis cultivation, manufacturing, distribution, and laboratory testing at the discretion of the City Council, but prohibit cannabis microbusinesses;
- 5. Impose operational and design requirements on permitted cannabis businesses including, but not limited to, requirements related to security, community relations, odor control, employment, and signage.

- 6. Require background checks on owners and managers of the cannabis business, and annual reviews conducted by the City Manager;
- 7. Require the City Manager to make all decisions in reviewing and issuing permits, except for the City Council publicly ranking tied applicants pursuant to the Initiative's criteria;
 - 8. Impose restrictions on changes in location and transfer of permits;
- 9. Authorize the City Manager to develop and enforce additional cannabis business operational regulations to protect the public health, safety, and welfare; and
- 10. Authorize the City Manager to suspend or revoke a cannabis permit for any material violation of any law or any rule, regulation, and/or standard adopted pursuant to the Initiative, subject to appeal to the City Council.

The Initiative does not impose a tax on cannabis businesses, but businesses receive points if they pledge to provide a financial contribution equal to 2% of projected gross receipts to a public school or public park located within the City, and/or to a public or nonprofit community organization serving the City or its residents.

If the number of active retailer permits falls below three, the City Manager shall open an additional 30-day application period.

Dated: July 27, 2021

Michael W. Webb

City Attorney

City of Redondo Beach