

March 13, 2023

Petaluma City Council
cityclerk@cityofpetaluma.org

Re: Comment for 3-13-23 City Council Goals & Priorities Workshop

Dear Honorable Councilmembers and Staff,

I have been engaging with the City of Petaluma for the past two years regarding amending the municipal code to allow storefront cannabis dispensaries. Doing so would bring additional jobs and revenue to the City, provide safe and legal access points for adult users and medical patients to obtain their products, and deal a blow to the illicit market. However, I did want to note an error in the Staff Report and on the city's webpage regarding this Goal.

The Staff Report states on page 7:

"...Currently, City of Petaluma regulations only permit specified wholesale cannabis commercial activity, subject to permit. The City would need to adopt new regulations to allow for retail commercial cannabis activity within city limits, and provide for City revenue generation and/or recovery of the City's related administrative costs concerning such activity. This project, the Adoption of Retail Cannabis Ordinance, is the process to allow commercial use of cannabis in Petaluma. Depending on the ultimate scope of the City Council policy direction regarding this project, the staff implementation work may include preparation of new land use regulations governing where retail cannabis activity can occur and subject to what approvals, police power regulations in the City's municipal code addressing any needed public safety and code compliance and enforcement tools required by the program, and administrative regulations guiding ongoing administration of the program."

This is not accurate. Petaluma regulations permit cannabis retail activity via non-storefront retailers, of which there is at least one currently operating in the City (Petaluma Municipal Code §10.15.040(D)). Petaluma regulations also permit other types of commercial cannabis uses, including testing labs and manufacturing facilities (Petaluma Municipal Code §§ 10.15.040(B), (C)). Additionally, page 7-8 of the Staff Report states:

"Although the initial milestones did not include local stakeholder conversations or specific Petaluma policy direction, given the range of local regulatory choices involved with retail cannabis, as identified above, the update effort should include this milestone as well as a potential City Council workshop to receive the public's feedback and provide specific Council direction regarding some of the key policy choices involved in local retail cannabis businesses regulation, including types of permitted business (retail, cultivation, laboratory, delivery, manufacturing), related land use regulations (such as number and location of permitted business types, and potential setbacks from other land uses that may be negatively impacted), revenue and/or cost recovery choices regarding retail cannabis, and finally, permitting and other related City compliance monitoring and administrative efforts."

Again, the City does allow a number of the types of businesses listed, and as will be discussed shortly, already created regulations to govern these.

The "Adoption of Retail Cannabis Ordinance - Milestones" page on the city's website¹ incorrectly and misleadingly states: *"The City of Petaluma needs to adopt ordinances and regulations to allow for commercial use of cannabis within city limits. This project, the Adoption of Retail Cannabis Ordinance, is the process to allow commercial use of cannabis in Petaluma."* The City already adopted an ordinance to allow for commercial cannabis activities: Ord. 2634 in 2017.²

Moreover, in addition to the 2017 Commercial Cannabis Ordinance, the City has already created Commercial Cannabis Regulations and Operating Requirements,³ a Permit Application,⁴ and other resources for cannabis businesses.⁵ An RFP was issued by the City in 2018⁶ to award one non-storefront retail (i.e. delivery) license.

I just wanted to make sure that all of this was being taken into account with regards to passing an ordinance that addresses storefront cannabis retail. Rather than staff reinventing the wheel, all that's needed is to find out how one additional type of use (which is similar to existing uses) can fit into the County's existing codes and regulations that already address other kinds of cannabis businesses. I would also like to add that I provided draft language that would

¹ <https://cityofpetaluma.org/adoption-of-retail-cannabis/>

² <https://petaluma.municipal.codes/enactments/Ord2634>

³ <https://cityofpetaluma.org/commercial-cannabis-regulations/>

⁴ <https://cityofpetaluma.org/documents/cannabis-business-permit/>

⁵ <https://cityofpetaluma.org/cannabis-business-information/>

⁶ https://petaluma.granicus.com/MetaViewer.php?view_id=3&clip_id=2526&meta_id=397505

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OMAR FIGUEROA

accomplish this to the City in March of 2021, and am more than happy to send my proposal and offer my guidance again.

As mentioned at the beginning of this letter, allowing storefront cannabis retailers in Petaluma would benefit the city, residents, visitors, and the entire legal cannabis marketplace. Access to licensing is critical both for businesses and consumers. It serves a public health purpose because licensed retailers must lab test their products and check IDs, whereas unlicensed retailers do not. It serves a justice purpose as illicit operators will lose customers to legal operators. It serves an economic purpose since jobs can be created and revenue can be generated from taxes associated with cannabis businesses. It serves a public safety purpose because licensed cannabis retailers are required to have strict security protocols including cameras, alarms, and security personnel that actually make the surrounding area safer.⁷

The California Department of Cannabis Control has made increasing the number of licensed cannabis retailers across the state a main priority, and even created a new grant program to help jurisdictions with this.⁸ Although Petaluma is not eligible for the grant since non-storefront retail is already permitted, this ought to show what a critical issue this is.

I urge Council to continue prioritizing the creation of a permit pathway for storefront cannabis retail facilities in Petaluma, and ask that Staff move forward with accomplishing this top Council goal and priority swiftly.

Respectfully,

Lauren Mendelsohn

Lauren Mendelsohn, Esq.
lauren@omarfigueroa.com

⁷ <https://norml.org/marijuana/fact-sheets/societal-impacts-of-cannabis-dispensaries-retailers/>

⁸ <https://cannabis.ca.gov/about-us/grant-funding/local-jurisdiction-retail-access-grant/>