RESOLUTION NO. 17-161, SERIES 2017

RESOLUTION AUTHORIZING THE CITY MANAGER TO COMMISSION AN IMPACT STUDY REGARDING CANNABIS RETAILERS IN THE CITY OF DAVIS, AND AUTHORIZING THE CITY MANAGER TO ENTER INTO COMMUNITY BENEFIT AGREEMENTS WITH CANNABIS RETAILERS TO ADDRESS POTENTIAL IMPACTS ON THE COMMUNITY CAUSED BY THOSE BUSINESSES, AND ESTABLISHING A COMMUNITY BENEFIT FUND

WHEREAS, the City Council of the City of Davis adopted Ordinance 2514 to amend the Zoning Code and authorize certain cannabis retailers to locate and operate in the City, subject to the granting of a conditional use permit; and

WHEREAS, the City Council additionally adopted Ordinance 2515 to impose reasonable regulations on the business operations of cannabis retailers, and to require that cannabis retailers obtain a cannabis business permit in order to lawfully operate in the City; and

WHEREAS, a cannabis business permit requires an applicant to, among other things, include a description of the community benefit the business will provide, or proposes to provide, to the surrounding Davis community, as well as a neighborhood responsibility plan to address potential effects of the retail cannabis business on the surrounding neighborhood; and

WHEREAS, the City Council is aware that both community benefits and potential adverse impacts may result from the operation of cannabis retailers in the City, and therefore desires to make sure all such impacts are adequately mitigated and offset by the potential community benefits those businesses can provide to the City and its residents; and

WHEREAS, City Council and City staff have been approached by interested cannabis advocates and business owners about the possibility of having the City accept monetary donations from cannabis retailers that locate in the City as one way to provide positive community benefits contributed by the establishment of cannabis retail businesses; and

WHEREAS, the City Council therefore desires to establish a community benefit fund that may be used for positive community development that offsets and mitigates potential impacts caused by cannabis retailers, and to further address unknown and anticipated effects of cannabis retailers that locate in the City; and

WHEREAS, the City Council further desires to authorize the City Manager to commission a study of the adverse effects of cannabis retailers on the community, measures that may alleviate anticipated concerns, and the cost to the city, including to better understand the scope of potential primary and secondary impacts on streets, sidewalks, public facilities, and the Davis community at large, which may be caused by cannabis retailers locating in the City; and
WHEREAS, the City Council further desires to authorize the City Manager to enter into community benefit agreements with cannabis retailers to provide an alternate, voluntary method of contributing to the established community benefit fund in order to adequately address neighborhood impacts, in lieu of waiting for a completed impact study.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Davis does hereby resolve as follows:

SECTION 1. Community Benefit Fund Established. The City Manager is authorized to establish a Community Benefit Fund, into which all monies received pursuant to executed community benefit agreements shall be placed. The Community Benefit Fund may only be utilized for implementation of mitigation measures to address the impacts of cannabis retailers on the surrounding neighborhood and Davis community. Appropriate mitigation measures may include street, sidewalk and road improvements to offset potential physical impacts and secondary effects caused by cannabis retailers, increased trash collection and street cleaning efforts due to littering, graffiti, and loitering, police enforcement and inspections, and education on public health and safety issues and community outreach related to cannabis use and consumption.

SECTION 2. Community Benefit Agreements Authorized. The City Manager is authorized to enter into legally-binding community benefit agreements with property owners seeking a conditional use permit and cannabis business permit to operate a cannabis retailer site in the City. The community benefit agreements shall be on a form approved by the City Attorney, and shall provide for the payment of money into the Community Benefit Fund to pay for mitigation measures to address the impacts of cannabis retailers on the surrounding community. The community benefit agreements shall be subject to the following additional requirements:

A. A community benefit agreement shall be voluntary, and shall not be treated as a requirement of approval for obtaining a use permit or a cannabis business permit; rather, a community benefit agreement shall be one acceptable method for an applicant to adequately demonstrate the community benefits that will be provided by the cannabis retailer locating in the City, in lieu of waiting for the City to complete an impact study of primary and secondary impacts of cannabis retailers locating in the City.

B. A community benefit agreement shall provide for the periodic payment of 1% of the gross receipts of each cannabis retailer located on the subject property.

C. A community benefit agreement shall be effective for the term of the cannabis retailer's use permit, unless otherwise amended or terminated by mutual agreement of the parties.

SECTION 3. Development Impact Fee Study. The City Manager is authorized to commission a study of the adverse impacts of cannabis retailers on the surrounding community, including secondary effects, measures that may mitigate those impacts, the cost to the city of those impacts, and the identified range of mitigation measures. The study shall determine if the periodic payment
of 1% of the gross receipts of every cannabis retailer located in the City is justified, or identify an alternative rate that may be utilized in future community benefit agreements.

SECTION 4. Severability. If any provision, clause, sentence or paragraph of this resolution or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions of this resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared to be severable.

SECTION 5. Effective Date. This Resolution shall take effect immediately upon its adoption by a majority vote of the City Council.

PASSED AND ADOPTED by the City Council of the City of Davis on this 5th day of December, 2017, by the following vote:

AYES: Arnold, Frerichs, Lee, Swanson, Davis

NOES: None

Robb Davis
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk