



# CITY OF LAKEPORT

City Council ☒  
City of Lakeport Municipal Sewer District ☐  
Lakeport Redevelopment Successor Agency ☐  
Lakeport Industrial Development Agency ☐  
Municipal Financing Agency of Lakeport ☐

## STAFF REPORT

**RE:** Resolution establishing and adopting fees to process applications for commercial cannabis permits

**MEETING DATE:** 01/16/2018

**SUBMITTED BY:** Kevin M. Ingram, Community Development Director

**PURPOSE OF REPORT:** ☐ Information only ☒ Discussion ☒ Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to consider the adoption of a resolution establishing fees for the processing of commercial cannabis permit applications.

### BACKGROUND/DISCUSSION:

On January 2, 2018, the Lakeport City Council adopted Ordinance No. 915 (2018) which adds Chapter 5.34 to the Lakeport Municipal Code setting forth regulations for the permitting of specified commercial cannabis activities within the City of Lakeport. This Ordinance is set to take effect on January 31, 2018 and allows for among other things a process for the receiving, reviewing and approval of commercial cannabis activities. Specifically, the Ordinance provides standards and regulations for three separate phases of review—application submittal, appeals and annual review & inspection. Additionally, the Ordinance requires the conducting of background checks for owners and employees of commercial cannabis businesses.

Following the adoption of Ordinance No. 915 (2018), city staff reviewed necessary actions to administer the processing of commercial cannabis permits. This review included: 1) the identification of necessary actions for the review and approval of commercial cannabis permits consistent with the adopted ordinance; 2) applicable city staff and other outside agencies who would be involved in various phases of the commercial cannabis permitting processing; and, 3) identification of appropriate staff positions and an estimate of hours necessary to perform work related to each phase of the commercial cannabis permitting process. The end result is the development of a fee schedule aimed at recovering staff related costs associated with the review of commercial cannabis permits.

Associated costs are laid out in detail in the 'Commercial Cannabis Permit Processing Fee Schedule', Attachment 2 of this staff report. In summary, permitting actions, staff time and costs are as follows:

- **Background Checks.** Required fee of \$354 per individual. Cost of fees include cost of Police Department Staff necessary for the administering and review of background checks together with Department of Justice related costs required for the performance of a background check. Fees associated with background checks are to be collected at the time of application submittal and whenever an operator hires a new employee.
- **Application Submittal.** The application submittal and review process can be broken into three activities: 1) the physical submittal of a commercial cannabis permit application which involves the review of the

application for completeness and the distribution of the application to applicable agencies for further review; 2) the review of the required 'Operations Plan' by various staff and agencies; and 3) a final review and decision on the application by the City Manager. Staff determined that individual cannabis activities will vary in the amount of staff time necessary for the completion of the review of an application. For review of commercial cannabis application related to cultivation, testing, distribution and retail a total of 15.5 staff hours is expected resulting in the establishment of a \$1,025 fee. Additional staff review by the Building Official and Fire Department is expected for commercial cannabis permits involving manufacturing making for a total of 17.5 hours of staff time and the establishment of a \$1,185 fee.

- Application Appeals. Section 5.34.05(C) of the Lakeport Municipal Code outlines the procedure for the appeal of decisions related to commercial cannabis permit applications. This includes: 1) the processing of submitted appeals; 2) additional background research by Police Department staff related to submitted appeals; and 3) the setting and conducting of an appeal hearing before the City Council. Staff estimates a total of 16 hours necessary for review of appeal applications and is recommending the establishment of a \$1,030 fee for appeals.
- Annual Review & Inspection. Section 5.34.08(G) of the Lakeport Municipal Code requires that all commercial cannabis operators submit an annual performance report, which shall include the performance of an inspection by the City. Staff estimates the review of the annual performance report to require 5 hours, and an inspection by the Police Department, Building Official and Fire Department to require 9 hours, for a total of 14 hours of staff time. As such, staff is recommending the establishment of a \$1,100 fee for the annual review and inspection of individual commercial cannabis operations.

Proposed fees solely pertain to the commercial cannabis permit application process established as part of Chapter 5.34 of the Lakeport Municipal Code and do not include other fees that are necessary to operate a commercial cannabis permit, including but not limited to: land use entitlement fees, building permit fees, business license fees and any state required permit fees.

#### **OPTIONS:**

Approve the resolution, propose amendments and revisions, or take no action or take action to deny the proposed Resolution.

#### **FISCAL IMPACT:**

☐ None      ☒ unknown      Budgeted Item? ☐ Yes ☒ No

Budget Adjustment Needed? ☐ Yes ☒ No      If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☒ Water OM Fund ☒ Sewer OM Fund ☐ Other:

Comments: None

#### **SUGGESTED MOTIONS:**

Move to adopt the proposed resolution establishing fees for the processing of commercial cannabis permit applications consistent with processes outlined in Chapter 5.34 of the Lakeport Municipal Code which permits and regulates commercial cannabis activities within the City of Lakeport.

- ☒ **Attachments:**
1. Proposed Resolution Establishing and Adopting Fees to Process Applications for Commercial Cannabis Permits.
  2. Commercial Cannabis Permit Processing Fee Schedule

## RESOLUTION NO. \_\_\_\_\_ (2018)

### A RESOLUTION OF THE LAKEPORT CITY COUNCIL ESTABLISHING AND ADOPTING FEES TO PROCESS APPLICATIONS FOR COMMERCIAL CANNABIS PERMITS

**WHEREAS**, on January 2, 2018, the Lakeport City Council adopted Ordinance No. 915 (2018) adding Chapter 5.34 “Commercial Cannabis” to the Lakeport Municipal Code; and

**WHEREAS**, the Commercial Cannabis Ordinance takes effect on January 31, 2018; and

**WHEREAS**, the Commercial Cannabis Ordinance provides a process for the submittal and processing of applications for commercial cannabis permits; and

**WHEREAS**, the commercial cannabis permit application process will consist of various phases of review, including application submittal, appeals and annual reviews; and

**WHEREAS**, the City Council desires to adopt fees for each phase of review and for other related costs in order for the City to recover the costs of administering the commercial cannabis permit application process; and

**WHEREAS**, city staff has conducted an examination of staff time necessary to administer the Commercial Cannabis Ordinance and developed cost estimates for each phase of the commercial cannabis permit application review.

#### **NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The City Council establishes the following fee schedule for the processing of applications for commercial cannabis permits as outlined in Chapter 5.34, Commercial Cannabis, of the Lakeport Municipal Code:

• Application Submittal (Cultivation, Testing, Distribution, Retail)	\$1,025
• Application Submittal (Manufacturing)	\$1,185
• Background Check (cost per individual)	\$354
• Application Appeal	\$1,030
• Annual Review & Inspection	\$1,100
2. The fees established by this Resolution shall be due and payable prior to the City processing the relevant phase of the Commercial Cannabis Permit application process.

3. The fees established by this Resolution are nonrefundable and payment of such fees does not guarantee that an application will be approved.
4. The fees established by this Resolution are solely for the commercial cannabis permit application process established as part of Chapter 5.34 of the Lakeport Municipal Code, and do not include any other fees that may be necessary to operate a commercial cannabis establishment.

**THIS RESOLUTION** was passed and adopted by the City Council of the City of Lakeport at a regular meeting held on the 16<sup>th</sup> day of January, 2018.

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
MIREYA TURNER, MAYOR

ATTEST:

\_\_\_\_\_  
KELLY BUENDIA, City Clerk  
City of Lakeport

*Commercial Cannabis Ordinance 915 (2018)*  
**Permit Processing Fee Schedule**



<b>Cannabis Fee Schedule--Cultivation</b>
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Fee Description and Details
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	Position	Hourly Rate	Estimated Hours	Cost
<b>Background Check</b>				
<i>Background Check (per individual)</i>				
	Police Chief		3 \$	300.00
	DOJ Cost		N/A	54.00
		<b>*TOTAL</b>	3 \$	354.00

\* Amount to be paid per individual background check. Payment due at time of application submittal & for new employee hires

**Application Submittal**

<i>Application Processing</i>				
	CDD Admin Asst		2 \$	60.00
	Associate Planner		4	200.00
	CDD Director		1	70.00
<i>Operations Plan Review</i>				
	Police Chief		3	300.00
	Associate Planner		2	100.00
	Building Official		1	60.00
	Fire Chief		1	100.00
<i>Final Application Review</i>				
	City Manager		1.5	135.00
		<b>TOTAL</b>	15.5 \$	1,025.00

**Application Appeal**

<i>Appeal Submittal</i>				
	CDD Admin Asst		1 \$	30.00
<i>Police Department Research</i>				
	Police Chief		1	100.00
	Police Lt.		5	400.00
	Records Tech		4	200.00
<i>City Council Hearing</i>				
	Associate Planner		3	150.00
	CDD Director		1	70.00
	City Clerk		1	80.00
		<b>TOTAL</b>	16 \$	1,030.00

**Annual Review & Inspection**

<i>Annual Report Submittal</i>				
	CDD Admin Asst		0.5 \$	15.00
<i>Annual Report Review</i>				
	Associate Planner		1	50.00
	Building Official		1	60.00

# ATTACHMENT 2

Police Lt.	1	80.00
<i>Fire Chief</i>	1	100.00
City Manager	0.5	45.00
<i>Site Inspection</i>		
Building Official	3	180.00
<i>Fire Chief</i>	3	300.00
Police Lt.	3	270.00
TOTAL		14 \$ 1,100.00



Cannabis Fee Schedule--Commercial Manufacturing
Fee Description and Details

	Position	Hourly Rate	Estimated Hours	Cost
<b>Background Check</b>				
<i>Background Check (per individual)</i>				
	Police Chief		3	\$ 300.00
	DOJ Cost		N/A	54.00
		<b>*TOTAL</b>	3	\$ 354.00

\* Amount to be paid per individual background check. Payment due at time of application submittal & for new employee hires

<b>Application Submittal</b>				
<i>Application Processing</i>				
	CDD Admin Asst		2	\$ 60.00
	Associate Planner		4	200.00
	CDD Director		1	70.00
<i>Operations Plan Review</i>				
	Police Chief		3	300.00
	Associate Planner		2	100.00
	Building Official		2	120.00
	Fire Chief		2	200.00
<i>Final Application Review</i>				
	City Manager		1.5	135.00
		<b>TOTAL</b>	17.5	\$ 1,185.00

<b>Application Appeal</b>				
<i>Appeal Submittal</i>				
	CDD Admin Asst		1	\$ 30.00
<i>Police Department Research</i>				
	Police Chief		1	100.00
	Police Lt.		5	400.00
	Records Tech		4	200.00
<i>City Council Hearing</i>				
	Associate Planner		3	150.00
	CDD Director		1	70.00
	City Clerk		1	80.00
		<b>TOTAL</b>	16	\$ 1,030.00

<b>Annual Review &amp; Inspection</b>				
<i>Annual Report Submittal</i>				
	CDD Admin Asst		0.5	\$ 15.00
<i>Annual Report Review</i>				
	Associate Planner		1	50.00
	Building Official		1	60.00

ATTACHMENT 2

Police Lt.	1	80.00
<i>Fire Chief</i>	1	100.00
City Manager	0.5	45.00
<i>Site Inspection</i>		
Building Official	3	180.00
<i>Fire Chief</i>	3	300.00
Police Lt.	3	270.00
TOTAL		14 \$ 1,100.00

<b>Cannabis Fee Schedule--Testing</b>
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Fee Description and Details
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	Position	Hourly Rate	Estimated Hours	Cost
<b>Background Check</b>				
<i>Background Check (per individual)</i>				
	Police Chief		3 \$	300.00
	DOJ Cost		N/A	54.00
		<b>*TOTAL</b>	3 \$	354.00

\* Amount to be paid per individual background check. Payment due at time of application submittal & for new employee hires

**Application Submittal**

<i>Application Processing</i>				
	CDD Admin Asst		2 \$	60.00
	Associate Planner		4	200.00
	CDD Director		1	70.00
<i>Operations Plan Review</i>				
	Police Chief		3	300.00
	Associate Planner		2	100.00
	Building Official		1	60.00
	Fire Chief		1	100.00
<i>Final Application Review</i>				
	City Manager		1.5	135.00
		<b>TOTAL</b>	15.5 \$	1,025.00

**Application Appeal**

<i>Appeal Submittal</i>				
	CDD Admin Asst		1 \$	30.00
<i>Police Department Research</i>				
	Police Chief		1	100.00
	Police Lt.		5	400.00
	Records Tech		4	200.00
<i>City Council Hearing</i>				
	Associate Planner		3	150.00
	CDD Director		1	70.00
	City Clerk		1	80.00
		<b>TOTAL</b>	16 \$	1,030.00

**Annual Review & Inspection**

<i>Annual Report Submittal</i>				
	CDD Admin Asst		0.5 \$	15.00
<i>Annual Report Review</i>				
	Associate Planner		1	50.00
	Building Official		1	60.00

ATTACHMENT 2

Police Lt.	1	80.00
<i>Fire Chief</i>	1	100.00
City Manager	0.5	45.00
<i>Site Inspection</i>		
Building Official	3	180.00
<i>Fire Chief</i>	3	300.00
Police Lt.	3	270.00
TOTAL		14 \$ 1,100.00

<b>Cannabis Fee Schedule--Commercial Distribution</b>
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Fee Description and Details
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	Position	Hourly Rate	Estimated Hours	Cost
<b>Background Check</b>				
<i>Background Check (per individual)</i>				
	Police Chief		3 \$	300.00
	DOJ Cost		N/A	54.00
		<b>*TOTAL</b>	3 \$	354.00

\* Amount to be paid per individual background check. Payment due at time of application submittal & for new employee hires

**Application Submittal**

<i>Application Processing</i>				
	CDD Admin Asst		2 \$	60.00
	Associate Planner		4	200.00
	CDD Director		1	70.00
<i>Operations Plan Review</i>				
	Police Chief		3	300.00
	Associate Planner		2	100.00
	Building Official		1	60.00
	Fire Chief		1	100.00
<i>Final Application Review</i>				
	City Manager		1.5	135.00
		<b>TOTAL</b>	15.5 \$	1,025.00

**Application Appeal**

<i>Appeal Submittal</i>				
	CDD Admin Asst		1 \$	30.00
<i>Police Department Research</i>				
	Police Chief		1	100.00
	Police Lt.		5	400.00
	Records Tech		4	200.00
<i>City Council Hearing</i>				
	Associate Planner		3	150.00
	CDD Director		1	70.00
	City Clerk		1	80.00
		<b>TOTAL</b>	16 \$	1,030.00

**Annual Review & Inspection**

<i>Annual Report Submittal</i>				
	CDD Admin Asst		0.5 \$	15.00
<i>Annual Report Review</i>				
	Associate Planner		1	50.00
	Building Official		1	60.00

# ATTACHMENT 2

Police Lt.	1	80.00
<i>Fire Chief</i>	1	100.00
City Manager	0.5	45.00
<i>Site Inspection</i>		
Building Official	3	180.00
<i>Fire Chief</i>	3	300.00
Police Lt.	3	270.00
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TOTAL	14	\$ 1,100.00

<b>Cannabis Fee Schedule--Commercial Retailer</b>
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Fee Description and Details
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	Position	Hourly Rate	Estimated Hours	Cost
<b>Background Check</b>				
<i>Background Check (per individual)</i>				
	Police Chief		3	\$ 300.00
	DOJ Cost		N/A	54.00
		<b>*TOTAL</b>	3	\$ 354.00

\* Amount to be paid per individual background check. Payment due at time of application submittal & for new employee hires

**Application Submittal**

<i>Application Processing</i>				
	CDD Admin Asst		2	\$ 60.00
	Associate Planner		4	200.00
	CDD Director		1	70.00
<i>Operations Plan Review</i>				
	Police Chief		3	300.00
	Associate Planner		2	100.00
	Building Official		1	60.00
	Fire Chief		1	100.00
<i>Final Application Review</i>				
	City Manager		1.5	135.00
		<b>TOTAL</b>	15.5	\$ 1,025.00

**Application Appeal**

<i>Appeal Submittal</i>				
	CDD Admin Asst		1	\$ 30.00
<i>Police Department Research</i>				
	Police Chief		1	100.00
	Police Lt.		5	400.00
	Records Tech		4	200.00
<i>City Council Hearing</i>				
	Associate Planner		3	150.00
	CDD Director		1	70.00
	City Clerk		1	80.00
		<b>TOTAL</b>	16	\$ 1,030.00

**Annual Review & Inspection**

<i>Annual Report Submittal</i>				
	CDD Admin Asst		0.5	\$ 15.00
<i>Annual Report Review</i>				
	Associate Planner		1	50.00
	Building Official		1	60.00

# ATTACHMENT 2

Police Lt.	1	80.00
<i>Fire Chief</i>	1	100.00
City Manager	0.5	45.00
<i>Site Inspection</i>		
Building Official	3	180.00
<i>Fire Chief</i>	3	300.00
Police Lt.	3	270.00
TOTAL		14 \$ 1,100.00