



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 19, 2025

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: ALL
DEPARTMENT

SUBJECT: AMENDMENTS TO THE STOREFRONT RETAIL COMMERCIAL CANNABIS
BUSINESS PERMIT PROCEDURE GUIDELINES AND APPLICATION REVIEW
CRITERIA

ISSUE:

Amendments to the Storefront Retail Commercial Cannabis Business Permit Procedure Guidelines and Application Review Criteria to implement the recent changes to the Cannabis Business Permit Program.

RECOMMENDATIONS:

That the City Council:

1. Adopt the attached Resolution amending the *Storefront Retail Commercial Cannabis Business Permit Procedure Guidelines and Application Review Criteria*.
2. Direct the City Manager to establish a rule and publish on the City's website, resetting the authorized preferred location list and require the top seven ranked applicants to submit new preferred site locations.

BACKGROUND:

At the City Council meeting on January 7, 2025, staff provided an update on the *Storefront Retail Commercial Cannabis Business (CCB)* program. The proposed locations for the 14 top ranked applications were released, with five businesses proposed in one Ward and two in an adjacent Ward, raising concerns about geographic concentration and location criteria. The City Council directed staff to study the effects of geographic density, proximity to sensitive receptors, and other health and safety concerns in support of the goals outlined in the *Cannabis Business Activities Ordinance* and related ordinances.

During the 90-day review period, the study on topics the City Council requested on January 7, 2025 was conducted, and on March 25, 2025, the results were presented to the City Council during a public meeting. Recommendations included limiting the number of CCB Permits to one per ward, adding parks as a new sensitive use, strengthening separation and location requirements, and refining the sale and transfer process of licenses. The City Council adopted

the recommendations and directed staff to return with the corresponding Ordinance, with the understanding that the changes to land use standards, including specific prohibited areas, sensitive use designations, and separation requirements, also necessitate amendments to Title 19.

On May 8, 2025, the Planning Commission held a public hearing, during which staff presented amendments to Title 19 and Chapter 5.77. The Planning Commission voted to recommend that the City Council approve the proposed changes with one modification: increasing the minimum separation distance for parks from 600 feet to 1,000 feet to be consistent with the requirement for schools.

On July 15, 2025, the City Council held a public hearing, and staff presented the amendments to Title 19 and the land use regulations in Chapter 5.77. This item was approved by a four-to-one vote. At the same meeting, staff presented the non-land use changes in Chapter 5.77 to the City Council. This item was approved by a four-to-one vote.

On August 5, 2025, the City Council adopted both Ordinances at their second readings. The Ordinances and changes to the RMC become effective on September 5, 2025.

DISCUSSION:

The recent changes to Title 19 and Chapter 5.77 of the RMC were not contemplated in the original Storefront Retail Commercial Cannabis Business Permit Procedure Guidelines (Guidelines) approved on October 17, 2023. It is essential to revise the permitting process to align with the RMC, ensure clarity for provisional applicants, and allow ministerial implementation by city staff.

Presented as part of this item are the proposed changes to the Guidelines to implement the recent changes to the Cannabis Business Permit Program, specifically the revised location requirements and the limit of one retail CCB permit per ward which is summarized below. Full language is included in *Attachment 1*.

The location changes to the RMC and the new requirement of one permit per ward will have an impact on existing preferred locations. Additionally, had these rules been in place when applicants selected their preferred locations, different sites may have been chosen. Staff recommends that the City Council direct the City Manager to establish a one-time rule, pursuant to RMC 5.77.450, to reset the authorized locations list, requiring applicants to select a new ward and location while preserving their ranking preference. This reset does not prevent an applicant from submitting the same preferred location or ward that was previously authorized for review and consideration. Staff review of preferred locations will follow the process described below.

- **Highest Ranked Applicants:** The RMC provides for up to 14 CCB Permits city-wide, with a maximum of one permit per ward, capping the number of initial permits at seven. The changes to the Guidelines explicitly provide that the provisional applicants with the highest ranking from Phase 1 will have the first right to a permit. In the event one of the top seven provisional applicants forfeits their right to a permit, the next sequential applicant that is ranked at a number greater than seven on the final ranking list shall be notified by the City Manager of their provisional right to a permit.
- **Ward and Site Location Preferences:** The new location requirements and the limit on the number of permits per ward, adopted on August 5, 2025, may affect previously authorized locations for one or more applicants. To ensure each applicant's ranking preference is

maintained, staff is recommending that the City Council direct the City Manager to establish a rule that would nullify all previously authorized site list locations on September 5, 2025, when the Ordinance takes effect. The Guidelines follow the same process, requiring applicants, in their order of ranking, to submit a new preferred location along with alternate locations, with the understanding that only one permit is allowed per ward. Preference for ward and location will continue to be granted based on the applicant's Phase 1 ranking, with the highest-ranked applicant selecting first. Staff will begin to review applicants' preferred locations once preferred locations are submitted and will approve preferred locations for applicants which have not been selected by a higher-ranked applicant or are within a ward that has been selected by a higher-ranked applicant.

- **Ability to select a New Preferred Location:** The current Guidelines do not provide an option for applicants to select a new location beyond Step 2.2 when zoning verification is performed. The Guidelines have been revised to give the applicants a voluntary option to choose a new preferred location at any time. This voluntary option will allow applicants to submit for a new location if another applicant is disqualified, or if an applicant experiences a significant issue with a location that was unknown at the time of preferred location selection. Applicants submitting a voluntary preferred location submittal may not select a location in a ward that has reached the maximum number of authorized site locations.
- **Expiration of Ranking:** Section III.D.1.b.ii.D is revised to provide the City Manager, in his/her sole discretion, the ability to extend the expiration date for two (2) additional twelve (12) month periods.

FISCAL IMPACT:

There is no fiscal impact associated with updating the Storefront Retail Commercial Cannabis Business Permit Procedure Guidelines and Application Review Criteria.

Prepared by:	Kyle Warsinski, Senior Project Manager
Approved by:	Jennifer A. Lilley, Community & Economic Development Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Mike Futrell, City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. Resolution – Amending the Storefront Retail Commercial Cannabis Business Permit Procedure Guidelines and Application Review Criteria
2. Presentation