



# City of San Leandro

Meeting Date: July 17, 2017

## Oral/Discussion Item

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**File Number:** 17-428

**Agenda Section:** ACTION ITEMS

**Agenda Number:** 10.B.

**TO:** City Council

**FROM:** Chris Zapata  
City Manager

**BY:** Jeff Kay  
Assistant City Manager

**FINANCE REVIEW:** Not Applicable

**TITLE:** City Council Review of the Davis Street Wellness Center Dispensary Permit

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### BACKGROUND AND ANALYSIS

On July 18th, 2016, pursuant to City of San Leandro Municipal Code section 4-33-200(c), the City Council awarded the City's second medical cannabis dispensary permit to the Davis Street Wellness Center. During the approval of the operating permit, the City Council imposed a condition of approval that if the applicant does not receive a Conditional Use Permit within 12 months from the date of the award of the dispensary operating permit, then the City Council could review the dispensary operating permit. Prior to imposing that condition of approval, the applicant was asked during the July 18th City Council meeting whether it was amenable to the condition. The applicant stated publicly that it was.

Approximately nine months after City Council approval of the operating permit, on March 20, 2017, the applicant submitted its application for a Conditional Use Permit to the Community Development Department. Community Development staff worked collaboratively with the applicant and its agents and representatives to determine whether the application could be deemed complete, and analyzed the proposed project's conformity with relevant zoning code provisions.

On June 19, 2017, the applicant was notified that its Conditional Use Permit application was scheduled for a hearing before the Board of Zoning Adjustments on July 6, 2017. The applicant was also notified that staff would recommend that the Board of Zoning Adjustments deny approval of the application because staff was unable to make the necessary findings for approval. On June 21, 2017, the applicant's attorney submitted to the Community Development Department a request to postpone the hearing to September 7, 2017, so that the applicant could have additional time to meet with City staff in order to discuss the application in greater detail.

As a result of the above factors, the applicant will be unable to secure approval of a Conditional Use Permit within 12 months of the issuance of the dispensary operating permit, which was a condition of approval for the medical cannabis dispensary operating permit. City of San Leandro Municipal Code section 4-33-200(g) provides that the issuance of a dispensary operating permit is not effective until the permit has received all other permits and approvals required by the City's ordinances, rules and regulations, including but not limited to any conditional use permit and building permit.

**RECOMMENDATION**

The City Council should review the dispensary operating permit award and provide direction to staff regarding next steps.

**PREPARED BY:** Eric Engelbart, Deputy City Manager, City Manager's Office