



**REPORT TO THE CITY COUNCIL OF THE CITY OF GUADALUPE**  
**Agenda of October 26, 2021**

*Todd Bodem*

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**Prepared by:**

**Todd Bodem, City Administrator**

**SUBJECT:** Extension of Deadline for Cannabis Business Permit Applications for Non-Retail Cannabis Businesses

**RECOMMENDATION:**

It is recommended that the City Council approve, by motion, an indefinite extension of time for the filing of cannabis business permit applications for non-retail cannabis businesses, to be ended after the City Council approves giving a 30-day notice of the new deadline.

**BACKGROUND:**

The City Council approved the City's Cannabis Business Permit Applications Procedure and Guidelines at its meeting on August 24, 2021. Thereafter, minor revisions were proposed by staff and approved by the City Council at its meeting on September 14, 2021. At that meeting, the Council also approved an application period for submission of retail and non-retail cannabis business permits to begin on October 1, 2021, and end on November 15, 2021.

**DISCUSSION:**

Since the commencement of the application period on October 1, 2021, staff has been contacted by various persons and/or entities interested in submitting applications for cannabis business permits, both for retail and non-retail cannabis businesses. Some of the persons/entities interested in submitting applications for non-retail cannabis businesses have informed the City of the difficulty (and even infeasibility) of being able to complete the necessary investigation and "due diligence" required for certain non-retail cannabis businesses by the current application deadline of November 15, 2021. This "due diligence" entails ensuring adequate water and power for the operation, and tenant improvements agreements with the property owner prior to leasing or purchasing property, which considerations are not as critical for retail operations.

Staff believes that the application deadline for non-retail cannabis business can be extended for an indefinite period to allow for these businesses to complete their "due diligence" without negatively impacting the applications of retail cannabis businesses. It is also in the City's best interests to allow additional time for non-retail cannabis businesses to submit applications since requiring them to comply

with the current November 15<sup>th</sup> deadline might cause these potentially beneficial businesses to forego submitting applications.

Staff does not believe there is a similar rationale for extending the deadline for applications for retail cannabis businesses, and therefore, does not recommend that the City Council do so.

Accordingly, staff is recommending that the City Council extend the application period to apply for a cannabis business permit to operate a distribution, manufacturing, testing lab, or cultivation (processing only) business for an indefinite time beyond November 15, 2021, and to continue until 30 days from when notice of a new deadline is approved by the City Council.

When it appears that enough time has transpired to allow non-retail cannabis businesses to have completed their “due diligence,” staff will request that the City Council direct that a 30-day notice of a new deadline for submission of applications be issued at a future meeting.

**FISCAL IMPACT**

None.