



AGENDA NO: C-1

MEETING DATE: April 11, 2017

# Staff Report

**TO:** Honorable Mayor and City Council                      **DATE:** April 5, 2017  
**FROM:** Dave Buckingham, City Manager  
**SUBJECT:** Marijuana Policy Outreach and Survey Discussion and Direction

## RECOMMENDATION

Staff recommends the Council provide staff specific direction on whether and how to conduct a survey to inform Council discussion on likely updates to the City's Marijuana policies and ordinances.

## ALTERNATIVES

1. Conduct a low-cost survey process that includes an online survey, downloadable, and service counter survey opportunities.
2. Mail a survey to every Morro Bay address at a direct cost of around \$6,400.
3. Conduct no survey and rely instead primarily on a public workshop and public participation in public meetings to gauge community opinion and preference.

## FISCAL IMPACT

There is negligible direct cost to alternatives 1 and 3. The cost of alternative 2 is \$6,396.

## BACKGROUND

With the recent passage of Prop 64 legalizing the recreational use of Marijuana, the City is in a deliberate process to consider new policies and ordinances based on this change in state law with the intent of adopting a new, comprehensive set of Marijuana policies by the autumn of 2017.

At the conclusion of the Council's March 1, 2017, Marijuana Work Session, the Council directed the following outreach and decision-making process:

- Conduct a survey to get broad public input
- Then, conduct a Public Workshop to provide an opportunity for additional public input and discussion through direct engagement with Council members.
- Then, conduct a series of Council work sessions to develop the details of an updated policy.
- Finally, develop a comprehensive update to City ordinances and policies and bring to Council in a series of regular Council meetings for final consideration and possible adoption.

Working with the Council-appointed Marijuana Sub-Committee (Council members McPherson and Davis), staff developed a short but comprehensive survey to garner broad public input on the subject. The survey is attached.

## DISCUSSION

Based on broad Council guidance at the March 1<sup>st</sup> work session,

Prepared By:   DWB                        City Attorney Review:   JWP

Staff is prepared to survey using a similar process and tools from previous surveys. This alternative, (Alternative #1) includes:

- Putting the survey online using Survey Monkey and asking for some indication of residency.\*
- Providing a downloadable survey that can be printed by residents and mailed or hand delivered to the City.
- Providing blank surveys at the service counters in City Hall, Recreation and Public Works / Community Development buildings that residents can complete and drop off.

With these methods staff intends to include some modest checks to help differentiate between resident and non-resident responses.

\*(With effective online communication, the City has had good levels of participation in recent online surveys including responses for 353, 423 and 731 in the past 18 months. Survey Monkey is set to allow only one response per device, providing a modest check on multiple responses.)

Another option, listed as Alternative 2, is to use a direct mail process to survey Morro Bay residents. This would entail mailing the survey to ~7,500 addresses and post office boxes in Morro Bay, along with a not-stamped but pre-addressed return envelope.

- The cost of this mailing is \$6,396.
- This method will also likely require a substantial staff effort to tally surveys returned by residents.
- If using this method, the City would not provide the online or downloadable options described in Alternative 1.

Alternative 3 envisions no survey process, instead relying on Council interaction with residents in a public workshop, in public meetings, and individual council member interactions with constituents to inform Council discussion on the subject.

### **CONCLUSION**

Alternative #1 is less expensive in term of both direct costs and indirect costs. Results could be slightly skewed if respondents answer residency questions untruthfully.

Alternative #2 costs around \$6,400 and will likely require more staff time to collate results. Results should be limited to residents.

Alternative #3 costs nothing. Council will not have any survey data, but will have opportunities to receive public input on the subject.

### **RECOMMENDATION**

Staff recommends the Council provide staff specific direction on which survey method to use.

If the Council selects Alternative #2, then the Council should specifically authorize the expenditure of up to \$6,500 for the survey and direct those funds come from surplus, unbudgeted, revenues, which will be memorialized in a future budget amendment.

### **ATTACHMENT**

1. Marijuana Survey

In November 2016, California voters passed Proposition 64, which legalized the adult recreational use of marijuana. The purpose of this survey is to receive input from Morro Bay residents related to actions the City may take regarding this law. Only fully completed surveys can be considered so please make sure to answer all the questions and mark appropriate responses. Thank you.

1. This survey is for Morro Bay residents. Are you a Morro Bay resident?
  - Yes
  - No

The following two (2) questions are related to the cultivation of marijuana for personal (non-commercial) use.

2. **Regulation.** With the passage of Prop. 64, residents may lawfully cultivate up to six marijuana plants indoors within their residence for personal use. Cities may not prevent this personal cultivation, but may impose regulations to help protect public health and safety (ie. odor control, fire inspections, water-use monitoring, etc.) Do you favor any regulation on personal indoor cultivation?
  - Yes, I am in favor of the City regulating personal indoor cultivation.
  - No, I oppose the City imposing regulations on personal indoor cultivation.
  - Undecided / no opinion.
3. **Outdoor Cultivation.** While the City must allow personal *indoor* cultivation as described above, the City may prevent personal cultivation *outdoors*. What best describes your preference on outdoor cultivation for personal use?
  - Ban all outdoor cultivation for personal use.
  - Allow outdoor cultivation with regulation (ie. safety, security and odor control).
  - Allow outdoor cultivation without regulation.
  - Undecided / no opinion.

The following two (2) questions are related to **medical marijuana** only.

4. **Medical Marijuana Dispensaries.** A medical marijuana dispensary is a “brick and mortar” storefront where medical marijuana may be sold over-the-counter to patients possessing a valid doctor’s prescription. Do you support medical marijuana dispensaries in Morro Bay?
  - Yes, allow medical marijuana dispensaries.
  - No, do not allow medical marijuana dispensaries.
  - Undecided / no opinion.

## City of Morro Bay Marijuana Survey

5. **Medical Marijuana Delivery.** A medical marijuana delivery service is a business that delivers medical marijuana to patients possessing a valid doctor's prescription. Deliveries are normally made to the patient's residence. What best describes your preference on medical marijuana delivery?

- Yes, allow medical marijuana deliveries.
- No, do not allow medical marijuana deliveries.
- Undecided / no opinion.

The following two (2) questions are related to the **adult, non-medical or "recreational"** use of marijuana only.

6. **Marijuana Stores.** A marijuana store is a "brick and mortar" storefront where marijuana may be sold over-the-counter to adults for "recreational" use. Do you support allowing marijuana stores in Morro Bay?

- Yes, allow marijuana stores.
- No, do not allow marijuana stores.
- Undecided / no opinion.

7. **Adult Use Marijuana Delivery.** A marijuana delivery service is a business that delivers marijuana to adults for recreational use. Do you support recreational marijuana deliveries in Morro Bay?

- Yes, allow adult-use marijuana deliveries.
- No, do not allow adult-use marijuana deliveries.
- Undecided / no opinion.

The following three (3) questions are related to the **taxation, cultivation and zoning.**

8. **Marijuana Cultivation.** Cultivation refers to businesses that grow marijuana for wholesale to licensed purchasers. Cultivation in Morro Bay would likely take place in indoor facilities and would be regulated by the City to address public health and safety concerns such as odor control, water system operation and safety and security. Do you support allowing cultivation of marijuana in Morro Bay?

- Yes, allow cultivation of marijuana.
- No, do not allow cultivation of marijuana.
- Undecided / no opinion.

## City of Morro Bay Marijuana Survey

9. **Taxation of Marijuana.** If marijuana stores and cultivation are allowed in Morro Bay, the City could propose a local ballot measure (likely in the Nov 2018 election) to impose a local tax on such marijuana related businesses. Where state law allows, would you vote to tax marijuana businesses to raise revenue for the City's general operations such as police, fire, public works and recreation?

- Yes, would likely vote to impose a local marijuana tax
- No, I would likely vote against a local marijuana tax.
- Undecided / no opinion.

10. **Marijuana Zoning.** If the City allows marijuana stores or dispensaries, it could restrict the location of such storefronts to certain areas of town, or allow them to open in any commercial district. (State law prevents such stores from proximity to certain locations such as schools.) For example, the City might choose to restrict marijuana stores from opening on the waterfront or downtown, but allow them in other certain areas. If the City allows marijuana stores and / or dispensaries, should they be allowed to open anywhere allowed by state law, or should they be limited to certain areas of the City?

- Allow marijuana stores/dispensaries to open anywhere state law allows.
- Restrict marijuana stores/dispensaries to certain areas of town.
- Undecided / no opinion.

11. Please provide an age range.

- Over 65 years
- 46 to 65 years
- 21 to 45 years
- Under 21 years

12. In the November 2016 election, did you vote for or against Prop 64 which legalized the adult "recreational" use of marijuana in California?

- I voted for Prop 64
- I voted against Prop 64
- I did not vote in the November 2016 Election
- Decline to answer

13. Do you have any other comments regarding marijuana regulation or taxation in Morro Bay?