

HAYWARD CITY COUNCIL

RESOLUTION NO. 17-

Introduced by Council Member _____

RESOLUTION AMENDING THE CITY OF HAYWARD FISCAL YEAR 2018
MASTER FEE SCHEDULE FOR COMMERCIAL CANNABIS PERMIT
APPLICATION PROGRAM

WHEREAS, Section 15273 of the California Environmental Quality Act (CEQA) Guidelines states that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies which the public agency finds are for the purposes of:

- 1. Meeting operating expenses, including employee wage rates and fringe benefits;
- 2. Purchasing or leasing supplies, equipment, or materials;
- 3. Meeting financial reserve needs and requirements;
- 4. Obtaining funds necessary for capital projects necessary to maintain service within existing service areas; or,
- 5. Obtaining funds necessary to maintain intra-city transfers as are authorized by City Charter; and

WHEREAS, the City Council finds and determines that this action is exempt from CEQA based on the foregoing provisions;

WHEREAS, in November 2010, California voters approved Proposition 26, which amended Article XIII C of the State constitution regarding the adoption of fees and taxes. Proposition 26 seeks to assure that taxes, which must be approved by the voters, are not disguised as fees, which can be approved by legislative bodies, such as a city council. The proposed amendment to the Master Fee Schedule (MFS) is a refundable deposit that would allow for the review and processing of Commercial Cannabis Permit by a neutral third party to ensure objectivity as well as provide for an expedited review for applicants awaiting to enter the new cannabis market in 2018; and,

WHEREAS, the City of Hayward Commercial Cannabis Permit Program was established by City Council Ordinance 17-13, adding Article 14 to Chapter 6 of the Hayward Municipal Code; and,

WHEREAS, Article 14 to Chapter 6 of the Hayward Municipal Code created a framework for regulating cannabis businesses within Hayward, monitoring the responsible cultivation, manufacture, testing, distribution, and sales of cannabis products in Hayward and eliminating the sale or distribution of cannabis products to minors. The ordinance

requires cannabis businesses to obtain a valid commercial cannabis permit issued by the City which requires the business to be inspected and regulated by the City to assure compliance with all applicable State, Federal, and local Cannabis related products regulations, including but not limited to the sales of electronic smoking devices and Cannabis paraphernalia; and,

WHEREAS, Article 14 to Chapter 6 of the Hayward Municipal Code charges the City Manager with establishing procedures for accepting and evaluating applications submitted to the City and that the evaluation process shall include a method for scoring and ranking each application; and,

WHEREAS, the evaluation of applications will involve both the time of City staff and an outside consultant who will provide additional analysis of applications; and,

WHEREAS, such costs associated with the applications shall be reimbursed to the City through a refundable deposit paid by applicants.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hayward hereby amends the Fiscal Year 2018 Master Fee Schedule to include Fees associated with the Commercial Cannabis Permit Program Application, as reflected in attached Exhibit "A".

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2017

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
 MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
 City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

EXHIBIT A

City Manager

C. Commercial Cannabis Permit Application Program

1. Commercial Cannabis Permit Application Fee

\$5,000 Time & Material:
Initial Deposit¹

¹ This is an initial deposit only. Hourly rate is \$200.37. If during the review of the application the City Manager or their designee estimates that the charges will exceed the deposit, additional deposit(s) will be required. Also, the City Manager or their designee may authorize a lesser initial deposit than shown if he/she determines that processing of an application will not entail need for the full initial deposit. Prompt payments of deposits or outstanding fees owed in association with the application will assure continued staff review of the project. Any surplus deposit remaining shall be refunded promptly upon project completion.