



Agenda Report

February 26, 2018

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CITY CLERK

SUBJECT: ADOPTION OF RESOLUTIONS RELATED TO THE CALLING OF A SPECIAL MUNICIPAL ELECTION OF THE CITY OF PASADENA CONSOLIDATED WITH THE STATEWIDE PRIMARY ELECTION HELD ON TUESDAY, JUNE 5, 2018, FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF PASADENA AN ORDINANCE TO ALLOW A LIMITED NUMBER OF COMMERCIAL CANNABIS BUSINESSES TO OPERATE IN THE CITY, SUBJECT TO BUSINESS, HEALTH, AND LAND USE REGULATIONS, TO PROTECT PUBLIC HEALTH, SAFETY, RESIDENTIAL NEIGHBORHOODS, AND SENSITIVE LAND-USES; AND FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF PASADENA AN ORDINANCE TO IMPOSE A CANNABIS BUSINESS TAX; AND TO AMEND THE FISCAL YEAR (FY) 2018 ADOPTED OPERATING BUDGET TO COVER ELECTION RELATED EXPENSES

RECOMMENDATION:

It is recommended that the City Council:

- (1) Find that the proposed action is not a project subject to California Environmental Quality Act (CEQA) as defined in Section 21065 and Section 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project;
- (2) Adopt a resolution of the City Council of the City of Pasadena calling and giving notice of a Special Municipal Election of the City of Pasadena on Tuesday, June 5, 2018, for the submission of an ordinance for voter approval to allow a limited number of commercial cannabis businesses to operate in the City subject to business, health and land use regulations, and for the submission of a second ordinance for voter approval to impose a cannabis business tax;
- (3) Adopt a resolution of the City Council of the City of Pasadena requesting the Board of Supervisors of the County of Los Angeles to authorize and order the consolidation of a Special Municipal Election of the City of Pasadena with the Statewide Primary Election to be held on Tuesday, June 5, 2018, and requesting the Los Angeles County Clerk/Registrar of Voters to administer said election on behalf of the City;

(4) Adopt a resolution of the City Council of the City of Pasadena setting priorities for filing written arguments pertaining to an ordinance to allow a limited number of commercial cannabis businesses to operate in the City, subject to business, health and land use regulations, and to an ordinance to impose a cannabis business tax; and directing the City Attorney to prepare an impartial analysis for each ordinance;

(5) Adopt a resolution of the City Council of the City of Pasadena providing for the filing of rebuttal arguments with respect to primary arguments pertaining to an ordinance to allow a limited number of commercial cannabis businesses to operate in the City, and to an ordinance to impose a cannabis business tax;

(6) Amend the Fiscal Year (FY) 2018 Adopted Operating Budget by appropriating \$25,200 from the City's General Fund balance to Account No. 10113002-811400 to cover election related expenses for the June 5, 2018 Special Municipal Election.

BACKGROUND:

On January 22, 2018, the City Council gave direction to staff to prepare the necessary ballot measure language and regulations to permit commercial cannabis business activities in the City, with staff to prepare the regulations in the form of ordinances to be submitted for voter approval at the June 5, 2018 Statewide Primary election. As part of tonight's February 26, 2018 agenda, staff has prepared and will present two ordinances consistent with the City Council's direction; an ordinance adopting commercial cannabis regulations, as well as an ordinance imposing a tax on commercial cannabis businesses. Subject to the City Council's determination on the adequacy of the proposed ordinances, the Council can then act to adopt the necessary resolutions to call the election and submit the ordinances for voter approval.

Proposed Commercial Cannabis Regulations Ordinance

AN ORDINANCE OF THE CITY OF PASADENA TO ALLOW A LIMITED NUMBER OF COMMERCIAL CANNABIS BUSINESSES TO OPERATE IN THE CITY, SUBJECT TO BUSINESS, HEALTH AND LAND-USE REGULATIONS, TO PROTECT PUBLIC HEALTH, SAFETY, RESIDENTIAL NEIGHBORHOODS, AND SENSITIVE LAND-USES

Proposed Ballot Measure Language

Shall an ordinance be adopted to allow a limited number of commercial cannabis businesses to operate in Pasadena, subject to business, health and land use regulations, and to repeal the City of Pasadena's current ban on commercial cannabis businesses, provided that: (1) the ordinance shall not take effect unless voters approve a Cannabis Business Tax, and (2) the City Council retains authority to amend existing ordinances and adopt future ordinances regarding commercial cannabis business activities?	YES	
	NO	

Proposed Cannabis Business Tax Ordinance

AN ORDINANCE OF THE CITY OF PASADENA ADDING A NEW CHAPTER 5.28 TO THE PASADENA MUNICIPAL CODE ENTITLED "CANNABIS BUSINESS TAX"

Proposed Ballot Measure Language

Shall the City tax cannabis (marijuana) businesses at annual rates not to exceed \$10.00 per canopy square foot for cultivation (adjustable for inflation), 6% of gross receipts for retail cannabis businesses, and 4% for all other cannabis businesses to fund general municipal expenses such as police, fire, roads and recreation; which is expected to generate an estimated \$1.4 to \$2.1 million annually and will be levied until repealed by the voters or City Council?	YES	
	NO	

Adoption of Resolutions

Adopting the recommended resolutions will accomplish the following: (1) formally call the Special Municipal Election for the submission of the two proposed ordinance measures to City of Pasadena voters; (2) request the Board of Supervisors to order the consolidation of this Special Municipal Election with the Statewide Primary Election on Tuesday, June 5, 2018 and direct the Los Angeles County Registrar of Voters to conduct the election on behalf of the City; (3) set priority order for the filing of arguments for each ordinance measure, authorizing the Mayor to designate those to file a written argument in favor of each ordinance measure, and directing the City Attorney to prepare an impartial analysis for each ordinance measure; and (4) authorize the filing of rebuttal arguments for each ordinance measure.

FISCAL IMPACT:

On February 15, 2018, the City Council called a Special Municipal Election for the purpose of submitting two Charter Amendment measures to change the timing of future City of Pasadena and Pasadena Unified School District elections as part of the June 5, 2018 election, with a total estimated cost of \$262,000.


If the City Council approves the staff recommendation, and proceeds with submitting these two additional ordinance measures related to commercial cannabis, the incremental cost will be an additional \$25,200, increasing the total election cost for the June 5th election to \$287,200.

The following chart provides a breakdown of the projected election expenses, with the increases connected to the costs of printing the sample ballot pamphlet, by adding two additional City measures (from 2 to 4 measures), and also adding to the anticipated number pages needed to accommodate the measure text (from 16 to 32 pages):

Voter Count		CITY/PUSD	PUSD ONLY
Registered Voters (RV)		82407	43730
Permanent Vote By Mail (PVBM)		38685	19196
Processing Fees	Fee Breakdown		
Election Operations (fees * (RV - PVBM))	\$2.2969 * 68256	\$100,425.06	\$56,352.14
Vote By Mail Processing (fees * PVBM)	\$0.9956 * 38685	\$38,514.79	\$19,111.54
Processing Fees Subtotals		\$138,939.85	\$75,463.68
Sample Ballot Processing and Printing Fees			
Measures(s) (fees * No. of Measures * (RV - PVBM))	\$0.0087 * 4 * 68256	\$1,521.53	\$213.45
Measure Text (fees * No. of Text Pages for all measures *(RV - PVBM))	\$0.0350 * 32 * 68256	\$48,968.64	\$6,869.52
TOTAL (without Election Preparation Cost)		\$50,490.17	\$7,082.97
Election Preparation Cost (One time per jurisdiction)		\$7,595.31	\$7,595.31
TOTAL PER JURISDICTION		\$197,025.32	\$90,141.96
TOTAL ESTIMATED ELECTION COST		\$287,167.28	

To cover the additional anticipated election expenses, the City Council is asked to appropriate \$25,200 to Account No. 10113002-811400 from the City's General Fund balance as part of the staff recommendation.

Respectfully submitted,



 Mark Jomsky, CMC
 City Clerk

Resolutions:

- Calling and Consolidating Election
- Requesting Election Services from County of Los Angeles
- Setting Priorities for Filing Arguments and Rebuttals
- Authorizing the Filing of Rebuttal Arguments