



**GARDINER CITY COUNCIL
AGENDA ITEM INFORMATION SHEET**



Meeting Date	06/24/2020	Department	City Council
Agenda Item	4.1 Consider Ordinance Review Committees Recommendations Regarding Amendments to the Marijuana Establishment Licensing Ordinance/Set Public Hearing and First and Second Read		
Est. Cost	n/a		

Background Information	<p>Per the City Council's request the Marijuana Establishment Licensing Ordinance was sent back to the ORC to review the fees that were originally included in the ordinance.</p> <p>It was agreed to the following:</p> <ul style="list-style-type: none"> * remove the fees from the ordinance and require that a fee be paid based on the City Council adopted fee schedule * recommend that the fees as adopted in the licensing ordinance be included in the fee schedule * add a provision in the fee schedule that caps the fees paid for multiple facilities on the same lot at \$2,500 <p>Please see attached paperwork. Debby Willis, Chair of ORC, and Tracey Desjardins, EDD, will be present to answer questions.</p>
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Requested Action	'I move to set a Public Hearing on proposed amendments to the Marijuana Establishment Licensing Ordinance on July 22, 2020 and August 5, 2020, and to conduct first and second reads respectively on those dates also.'
City Manager and/or Finance Review	The City Manager recommends the above action.
Council Vote/ Action Taken	
Departmental Follow-Up	

City Clerk Use Only	1 st Reading _____	Advertised _____	EFFECTIVE DATE _____
	2 nd Reading _____	Advertised _____ w/in 15 Days	
	Final to Dept _____	Updated Book _____	Online _____

To: Ordinance Review Committee
From: Mark Eyerman
Subject: Marijuana Facilities Licensing Fees
Date: June 4, 2020

At the May committee meeting, the ORC reviewed the proposals for revising the fees for the licensing of marijuana facilities. The ORC agreed on the following:

1. Amend the licensing ordinance adopted by City Council to remove the fees from the ordinance and require that a fee be paid based on the City Council adopted fee schedule.
2. Recommend that the fees as adopted in the licensing ordinance be included in the fee schedule.
3. Add a provision in the fee schedule that caps the fees paid for multiple facilities on the same lot at \$2,500.

Based on these considerations I've prepared a draft memo to the City Council outlining these recommendations including an amendment to the existing ordinance.

To: City Council
From: Ordinance Review Committee
Subject: Marijuana Facilities License Fees
Date: June 15, 2020

As requested by the City Council, the Ordinance Review Committee reviewed the City's approach for establishing fees for licenses for both medical and adult-use marijuana establishments and for the amount of those fees. The Committee is recommending that the Council do the following:

1. Amend the Marijuana Establishment Licensing Ordinance to delete the fees set forth in Section 8 of the adopted ordinance and replace it with a provision that requires a fee to be paid in accordance with the schedule of fees adopted by the City Council. A proposed amendment to Section 8 is attached. This amendment should be adopted only when the City Council has adopted the fees as part of the fee schedule.
2. Adopt the fees that will be deleted from the licensing ordinance as part of the City's fee schedule. After reviewing those fees in comparison to other communities and the level of oversight called for by City staff, the Committee believes that the fees are reasonable. A spreadsheet showing the fees being charged in other communities is attached. A recommendation for the revision to the fee schedule is attached.
3. To account for situations where more than one licensed facility is located on the same lot, the Committee recommends that the total licensing fee paid for all marijuana facilities located on the same lot be capped at \$2,500. For example there could be a facility that is licensed both as a manufacturing facility and as a retail store. The separate fees would be \$3,500 (\$1,500 + 2,000) but with this provision the fee would be capped at \$2,500. This provision is included in the proposed fee schedule that is attached.

The Ordinance Review Committee would be happy to discuss these recommendations with the City Council.

Proposed Amendment to
the Marijuana Establishment Licensing Ordinance

Proposed additions to the Ordinance are underlined;
proposed deletions are ~~struck-through~~.

Amend Section 8. Fees of the Marijuana Establishment Licensing Ordinance to read as follows:

Section 8. Fees

An application for a license or renewal of a license for a marijuana establishment shall include an application fee in the amount set forth in the schedule of fees adopted by the City Council, following table:

<u>Type of Marijuana Establishment</u>	<u>Annual Fee</u>
Medical Marijuana Cultivation Facility—Tier 1	\$500
Medical Marijuana Cultivation Facility—Tier 2	\$1,500
Marijuana Cultivation Facility—Tier 3	\$2,000
Marijuana Cultivation Facility—Tier 4	\$2,500
Marijuana Products Manufacturing Facility	\$2,000
Marijuana Testing Facility	\$500
Marijuana Retail Store	\$1,500
Medical Marijuana Registered Caregiver Retail Store	\$1,000
Medical Marijuana Registered Dispensary	\$1,000
Marijuana Nursery Cultivation Facility	\$1,500

This fee is nonrefundable and will be used to offset the City’s costs in the review of the application and in the oversight with respect to conformance of the establishment with respect to the license and any conditions of approval.

Proposed Amendment to the City’s Fee Schedule

Amend the City’s Fee Schedule by adding a section establishing fees for the licensing of marijuana establishments in accordance with the Marijuana Establishment Licensing Ordinance:

Fee for a license or the renewal of a license for a marijuana establishment:

Each application for a license or the renewal of a license for a marijuana establishment in accordance with the Marijuana Establishment Licensing Ordinance shall pay a fee as set forth below. If more than one licensed marijuana establishment is located on the same lot and the licenses are issued to the same party, the total fee for all licenses or license renewals in a calendar year shall not exceed \$2,500.

Type of Marijuana Establishment	Annual Fee
Medical Marijuana Cultivation Facility – Tier 1	\$500
Medical Marijuana Cultivation Facility – Tier 2	\$1,500
Marijuana Cultivation Facility – Tier 3	\$2,000
Marijuana Cultivation Facility – Tier 4	\$2,500
Marijuana Products Manufacturing Facility	\$2,000
Marijuana Testing Facility	\$500
Marijuana Retail Store	\$1,500
Medical Marijuana Registered Caregiver Retail Store	\$1,000
Medical Marijuana Registered Dispensary	\$1,000
Marijuana Nursery Cultivation Facility	\$1,500

Marijuana Establishment License Fees

Sample of Other Communities

The following is a sampling of the fees charged by other Maine communities - In some cases the fees are not directly comparable due to the way different communities define the various types of establishments

Type of Establishment	Gardiner	Hallowell	Auburn**	Damariscotta	Mechanic Falls**	Brunswick	SoPo	Bangor	Chelsea	Farmington*	Fairfield
Medical Cultivation - Tier 1	500	250	1000		250	600				125-250	
Medical Cultivation - Tier 2	1500		1000		250	600				750-1500	
Cultivation - Tier 3	2000		2500-5000-	2500	5000-250	600	600	500		2500-5000	3500
Cultivation - Tier 4	2500		1000		12000-250	600	600	500		7500-15000	4500
Manufacturing	2000		2500	2500	2500	300	300	500		1250-300-	
Testing	500		2500	2500	500	N/A		200		750	1500
Retail Store	1500		5000	5000	1500	1400	1400	200		500	1500
Caregiver Retail Store	1000		5000?	5000	1500	1400			1000	1250	1500
Registered Dispensary	1000		?								
Nursery Cultivation	1500		1000							175	2000

* Farmington's fees vary depending on whether cultivation is inside (higher fee) or outside and the type of processing
 ** Auburn and Mechanic Falls have lower fees for cultivation of medical marijuana than adult-use marijuana