

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal

From: Kingsley Okereke

Dept: City Manager

Dept: Finance

Subject: CONSIDERATION OF RESOLUTION
ESTABLISHING MEDICAL MARIJUANA
DISPENSARY REGISTRATION FEE

Date: August 9, 2011

OBJECTIVE

To receive City Council approval of a Resolution establishing a medical marijuana dispensary registration fee.

BACKGROUND

On July 19, 2011, the City Council adopted Urgency Ordinance No. 2797, which added Chapter 5.80 to the Garden Grove Municipal Code providing for a registration process for existing medical marijuana dispensaries in the City.

DISCUSSION

Pursuant to Chapter 5.80, the registration process requires any person that wishes to be eligible for a future permit to operate a medical marijuana dispensary in the City to submit a registration package, which, based on credible evidence, establishes that the person is an owner or operator of an "established operation". Section 5.80.050 requires any such person to submit with his/her/its registration package a fee in an amount as established by City Council resolution.

The City may charge a fee in an amount necessary to recover its estimated reasonable costs to process and review each registration package and to determine whether the registrant is an owner or operator of an "established operation." Anticipated costs to the City primarily include staff time to receive and process the registration packages, perform a multi-level inter-departmental review and evaluation of the submittals and any and any subsequent documentation or information provided, and to notify registrants of the City's final determination.

Staff has evaluated the time and costs that will be involved in these tasks and determined that the anticipated minimum cost to review, process, and evaluate each registration package is approximately \$200. Accordingly, Staff recommends that the registration fee be set at \$200 per registrant. A breakdown of Staff's cost evaluation is attached.

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FINANCIAL IMPACT

Adoption of the proposed resolution would result in receipt by the City of \$200 in revenue for each registration package submitted to offset costs in staff time to process, review and evaluate each submittal.

RECOMMENDATION


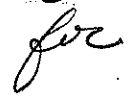
It is recommended that City Council adopt the proposed Resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
ESTABLISHING A MEDICAL MARIJUANA DISPENSARY REGISTRATION FEE.

By: 
Kingsley Okereke
Finance Director

Attachment: Estimated Cost Analysis
Proposed Resolution

Recommended for Approval


Matthew Fertil
City Manager 

Cost Analysis

Medical Marijuana Dispensary Registration Process

Position	Tasks	Hourly Rate	Estimated Time in Hours	Estimated Cost
Clerk – Business Tax	Distribute Registration Forms at Counter and handle in-person inquiries; receive and process Registration Packages.	--	--	\$25 ¹
Finance Manager	Conduct initial review and evaluation of each submittal; request additional info if needed; prepare recommendation to inter-departmental committee.	\$96.69	.75	\$72.52
City Attorney	Review and evaluate FM recommendation; evaluate submittals; make recommendation to Finance Director.	\$185	0.08333	\$46.25
Police Sergeant	Review and evaluate FM recommendation; evaluate submittals; make recommendation to Finance Director	\$110.22	0.08333	\$9.18
Senior Fire Protection Specialist	Review and evaluate FM recommendation; evaluate submittals; make recommendation to Finance Director	\$72.23	0.08333	\$6.02
Senior Planner	Review and evaluate FM recommendation; evaluate submittals; make recommendation to Finance Director	\$90.30	0.08333	\$7.52
Supervising Building Inspector	Review and evaluate FM recommendation; evaluate submittals; make recommendation to Finance Director	\$77.78	0.08333	\$6.48
Business Tax Inspector	Review and evaluate FM recommendation; evaluate submittals; make recommendation to Finance Director	\$54.67	0.08333	\$4.56
Departmental Secretary	Filing assistance; prepare correspondence to registrants.	\$53.91	0.25	\$13.48
Finance Director	Review staff recommendations, evaluate submittal, and make final determination		0.3	\$40.86
TOTAL				\$201.04

¹ Based on cost currently charged for receipt and process of business tax certificate applications and renewals.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF GARDEN GROVE ESTABLISHING A
MEDICAL MARIJUANA DISPENSARY
REGISTRATION FEE**

WHEREAS, the City of Garden Grove has established a registration process for potential eligibility of medical marijuana dispensaries for a future permit to operate in the City; and

WHEREAS, the registration process requires any person that wishes to be eligible for a future permit to operate a medical marijuana dispensary in the City to submit a registration package, which, based on credible evidence, establishes to the satisfaction of the City Manager that the person is an owner or operator of an "established operation"; and

WHEREAS, the registration process requires any such person to submit with his/her/its registration package a fee in an amount as established by City Council resolution; and

WHEREAS, the purpose of the medical marijuana dispensary registration application fee is to recover the City's costs associated with the processing, review, and evaluation of registration packages; and

WHEREAS, City staff has conducted an evaluation to determine the estimated costs of processing, review, and evaluation of registration packages and estimates the reasonable costs to be no less than \$200 per registration package; and

WHEREAS, the City Council finds that the estimated reasonable cost of processing, review, and evaluation of registration applications to be no less than \$200 per registration application; and

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE HEREBY RESOLVES, DETERMINES, AND FINDS AS FOLLOWS:

SECTION 1. A fee of \$200 shall be charged per registration application submitted pursuant to Garden Grove Municipal Code Sections 5.80.050.

SECTION 2. This Resolution shall take effect immediately.

SECTION 3. The City Council finds that, in accordance with Section 21080(b)(8) of the California Public Resources Code, the medical marijuana dispensary registration application fee is only for the purpose of meeting

operating expenses and is, therefore, exempt from compliance with the California Environmental Quality Act.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Garden Grove on this 9th day of August, 2011.

William Dalton, Mayor

ATTEST:

Kathy Bailor, City Clerk