

SLT recreational pot ordinance taking shape

By Kathryn Reed

An adult-use marijuana ordinance is expected to be before the South Lake Tahoe City Council next month, with development agreements and a decision about what to do with the existing medical facility still to be decided.

The electeds on April 17 agreed to allow the following licenses: two micro businesses, two retail, and two cultivations not to exceed 5,000-square-feet. Other agreed to rules include: no limits on testing facilities, delivery linked to a retail establishment, dual licenses from planning and public safety, development agreement model, full cost recovery for the application fee, and permits awarded based on merit with a local preference.

Specifics to the latter will be decided by the council via a resolution.

Sergio Rudin with the law firm of Burke, Williams and Sorensen was the city attorney of record for Tuesday's meeting. He said the ordinance should be ready by May 1.

Rudin stressed that it will be necessary to have the development agreement in place before the ordinance takes effect.

With a development agreement, the city will be able to collect a fee of sorts from the businesses. This is in lieu of a tax that could be assessed on the product. The voters will have to decide whether recreational marijuana will be taxed. The council has not decided to go forward with a tax measure, but has in the past said that is an eventual route to explore.

Rudin said it would be best to employ a consulting firm to gauge the appetite of the electorate about such a tax.

He also advised that the development agreements have parameters so they don't exist indefinitely, but also would sunset if a tax were implemented.

Legal and planning have worked out their differences regarding zoning. A micro business would be allowed in the industrial area, but no retail sales would be permissible. The Y area is another area of town where a micro business could open.

The advantage to a micro business is that one company can then do multiple things like grow the plants, create product like edibles, and then sell them.

While the state allows for 10,000-square-feet of cultivation for micro businesses, it is possible for the city to make that more restrictive. The council leaned toward 5,000 square feet.

What the council does not want is on-site consumption.

Council members Brooke Laine and Austin Sass have been appointed to a subcommittee to work with staff to formalize the development agreement criteria as well as figure what to do with Tahoe Wellness Cooperative.

TWC has been dispensing medicinal marijuana for about nine years in the middle of town. It operates as a micro business, and allows on-site consumption. Cody Bass, who owns TWC, multiple times at the meeting said the direction the council was going would make his business obsolete unless it could be grandfathered in.

TWC's future remains to be seen. It will be up to the city's subcommittee to make recommendations to the full council regarding TWC's future.