



Date: March 15, 2017

To: Mayor and Members of the City Council

From: Patrick H. West, City Manager *T.M.W.*

Subject: **Medical Marijuana Application Process Update**

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The application period for "Non-Priority" medical marijuana dispensary licenses has now **closed**. The City received approximately 200 dispensary applications for a total of 32 available licenses. Staff has begun reviewing these applications for completeness, and will notify applicants of any deficiencies in the coming weeks. Non-Priority applicants will have until April 11, 2017 to correct any deficiencies in their application. After such time, incomplete applications will be promptly rejected. Complete applications will move on to the Priority Point ranking system.

The Priority Point ranking system will be used to determine which of the 200 applicants will ultimately receive a dispensary license. The process will take a significant amount of time for staff to complete, as the average dispensary application is hundreds of pages in length. Each page must be reviewed and scored to determine priority. Staff anticipates being able to post the results of the Priority Point ranking system in August 2017. Should there be a tie in points awarded, and the number of applicants that tie exceed the number of available licenses, the City will hold a public lottery to determine which applicants may receive a license. The lottery is tentatively scheduled to be held in August 2017.

Due to the extremely competitive nature of the dispensary application process, staff encourages the City Council to refer all dispensary inquiries to the Medical Marijuana Hotline at (562) 570-5150 or [MedicalMarijuanaLicense@longbeach.gov](mailto:MedicalMarijuanaLicense@longbeach.gov). Staff will be working closely with the City Attorney's Office to ensure that the application review process is conducted appropriately.

Regardless of the Non-Priority application timeline, some Priority applicants have already moved on to the next phase of the application process. Priority applicants (i.e. those applicants who are previous Long Beach marijuana business lottery winners from September 2010 and meet other requirements) will not participate in the Priority Point ranking system, per Long Beach Municipal Code Chapter 5.90. Priority applicants who have submitted a complete application may proceed immediately to the Department Review process (i.e. plan check and inspections), which involves the Fire, Health, and Development Services Departments. Following Department reviews, Priority applicants may receive a business license and begin operating.

To date, a total of 13 Priority applications have been submitted. Of these applications, four have been deemed "complete" and have moved on to the Department Review process. Staff estimates that the earliest a Priority dispensary could complete the Department Review phase is May of this year, at which time the City could begin seeing licensed medical marijuana dispensaries opening for operation.

## Medical Marijuana Dispensary Application Process

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A list of all submitted applications, including information on location and Priority-status, has been posted online at [www.longbeach.gov/marijuana](http://www.longbeach.gov/marijuana). This list will be updated as more Priority applications are received. There is a potential for 24 total Priority applications to be submitted. It is unclear how many Priority applications will ultimately be submitted by the July 24, 2017, Priority deadline. All remaining licenses will be issued to Non-Priority applicants, for a total of 32 dispensaries citywide.

In addition to the dispensary application process, staff is preparing to accept applications for other medical marijuana business types. These other business types include cultivation, laboratory testing, manufacturing, and distribution. However, due to limited staff resources and the significant workload already being placed on Departments through dispensary review, the application process for other business types will be restricted at first to just **cultivation** and **laboratory testing** business types. Application materials for these business types will be made available April 15, 2017. Staff will begin accepting cultivation and laboratory testing applications on May 1, 2017. Public notification of the application timeline for other business types – manufacturing and distribution – will be posted on the website at a later date.

It is important to note that there are no restrictions on the number of licenses that the City can issue for cultivation, laboratory testing, manufacturing, or distribution business types, nor is there a deadline to apply. Once the City opens the application process, it will remain open permanently for these other medical marijuana businesses. Therefore, staff's top priority is ensuring that application intake and review procedures are designed properly in advance, which will help ensure the long-term success of the industry. Staff greatly appreciates the patience that business applicants, medical marijuana patients, and the general public have shown as we navigate this process.

If you have any questions regarding this matter, please contact Ajay Kolluri, Assistant to the City Manager, at (562) 570-6406 or via email at [Ajay.Kolluri@longbeach.gov](mailto:Ajay.Kolluri@longbeach.gov).

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CC: CHARLES PARKIN, CITY ATTORNEY  
LAURA L. DOUD, CITY AUDITOR  
DOUGLAS HAUBERT, CITY PROSECUTOR  
TOM MODICA, ASSISTANT CITY MANAGER  
ANITRA DEMPSEY, INTERIM DEPUTY CITY MANAGER  
REBECCA JIMENEZ, ASSISTANT TO THE CITY MANAGER  
LEA ERIKSEN, ASSISTANT FINANCE DIRECTOR  
DEPARTMENT HEADS