



Shared-Use Cannabis Manufacturing Ordinance

City Council Meeting - July 6, 2021

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LONG BEACH

The addition of this license type helps expand the goals of the City's Cannabis Social Equity Program.

- Low start-up costs
- No significant capital to construct a facility/purchase equipment
- Access to marketing/branding/assistance

On January 5, 2021, the City Council approved a motion to:

- Direct City Attorney to prepare an ordinance to allow shared-use cannabis manufacturing in Long Beach
- Reserve Phase 1 of shared-use (Type S) cannabis manufacturing licenses to equity applicants
- Remove “is a Long Beach resident currently receiving unemployment benefits” as an eligibility criteria for the cannabis social equity program

Regulations

A **shared-use facility** is a manufacturing facility in which businesses take turns utilizing the space and equipment.

Principal Licensee = owner of the shared-use facility

Operator Licensee = manufacturer renting out/utilizing the Principal Licensee's space

Operator Licensees can **conduct only the following cannabis manufacturing activities:**

- Infusing cannabis concentrates directly into a product
- Packaging and labeling of cannabis products
- Extracting essential oils from the cannabis plant, using butter or food grade oil

Regulations

Designated area = area for Operator Licensee that is exclusive to the Operator Licensee to store cannabis products.

Common use area = area for use at separate times by all licensees, including Operator and/or Principal Licensees.

Principal licensees may conduct manufacturing activities as permitted by their medical and/or adult-use manufacturing licenses and **may use the common use area during their scheduled time period.**

An **occupancy schedule must be posted at the facility** detailing when the Principal Licensee and Operator Licensee(s) can use the common use area.

Prioritization for Equity Applicants

Applications for shared-use manufacturing Operator licenses will only be accepted from **verified Equity Applicants for a period of 1 year, or until 15 licenses have been issued**, whichever occurs sooner.

The one-year period will **start on the date the City begins accepting applications** for shared-use manufacturing Operator licenses.

The City Council may **extend the timeframe** for accepting equity applications.

- Requesting an appropriations increase of \$25,000, offset by funds available.
- Funds will be used to update the City's licensing system and equity verification processes.
- Revenues from this new license type will not be realized until businesses are licensed and operating, likely beginning in FY 22.

Removal of Unemployment Benefits Criterion

“Is a Long Beach resident currently receiving unemployment benefits” has been removed as a criterion to qualify as an equity business owner in the Cannabis Social Equity Program

Summary of Proposed Changes

- Addition of shared-use cannabis manufacturing to the LBMC
- Prioritization for accepting equity applications up to 1 year or 15 licenses issued, whichever occurs sooner
 - The City Council may extend the 1-year period at its discretion
- Removal of unemployment benefits criteria to qualify as an equity business owner for the Social Equity Program



Thank you

July 6, 2021

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