

Frequently Asked Questions regarding Measure X & Proposition 64

What activities are permissible under the city's new Measure X?

Businesses that meet the requirements for operation can conduct wholesale medical marijuana distributing, manufacturing, processing and transporting as well as establish research and development and testing laboratories.

Does that include cultivation and retail sales?

No. Cultivation and any type of retail sales of marijuana or marijuana product is not permitted in the City of Costa Mesa. Further, under Measure X, medical marijuana businesses may not conduct retail activity of any type - i.e., businesses may not sell non-marijuana products.

In which area of the city can I open my medical marijuana business?

Medical marijuana businesses are only permitted in a specific part of the City: north of South Coast Drive, west of Harbor Boulevard, south of MacArthur Boulevard and east of the Santa Ana River. Medical marijuana businesses are not permitted within the South Coast Collection (SoCo) center.

Does the city gain any additional revenues from medical marijuana businesses?

Yes, the ordinance imposes a new 6% annual gross receipt tax on any marijuana business. In addition, while not revenue, businesses are also required to pay all required administrative fees during the process, which include in part, zoning verifications, inspections, Conditional Use Permits, and processing. These fees will be charged on a cost recovery basis at various points during the process. The City Council approved these fees on April 18, 2017.

How much will it cost to start an approved medical marijuana business?

Operators must pay for all City staff costs and consultant fees. The City will collect fees at various points during the permitting process and payments must be made by a certified check, cashier's check, or a money order to the City of Costa Mesa. **No cash will be accepted.** We estimate the total costs being in the ballpark of \$50,000, but the initial fee is for the Medical Marijuana Business Permit is currently \$21,525, plus additional costs for background checks and must be renewed every two years. The Conditional Use Permit (CUP) cost is presently \$27,508. This is a one-time fee. The City Business License costs up to \$200 and must be renewed annually.

What if I want to open a medical marijuana manufacturing center, what is required?

Operators of all allowed types of businesses are required to obtain a Marijuana Business Permit from the City, as well as a Conditional Use Permit and a Business License. The Marijuana Business Permit has a number of requirements, including a Livescan background check of all owners and employees. Operators should have a site secured in the approved zone.

When can I obtain the information packet and start the process to open an approved marijuana business?

We expect to have our internal processes finalized by the end of May. Applications will be available online on **Friday May 26th** by downloading the forms (a link will be provided on the City's website that day) or by obtaining hard copies from the Community Improvement Division, located on the 2nd floor of City Hall. **A final Stakeholder's Meeting will be held at City Hall on Tuesday, May 30th at 10:00 AM.**

All applicants must make an appointment with City staff in order to submit an application. The Community Improvement Division will start scheduling appointments beginning on June 1st. Please DO NOT attempt to schedule an appointment before June 1st. If you have any questions or would like to make an appointment, please call (714) 754 – 5618 or email at katie.angel@costamesaca.gov. **The City will not accept any payments or any other application documents prior to June 1st.** Conditional Use Permit (CUP) applications may be submitted to the Planning Division only after the Community Improvement Division has issued an applicant a Notice to Proceed Letter.

Where can I get a Livescan?

All Livescan and other background checks must be performed by the Costa Mesa Police Department or a third party vendor hired by the City, and can only be completed upon the issuance of a Livescan application by Code Enforcement. The applicant must be cleared by Livescan or the third party vendor prior to obtaining a Marijuana Business Permit. The police department and/or the third party vendor will charge a separate fee for this service, which you must pay directly to them.

What would disqualify me from being able to operate or work in a medical marijuana business?

A felony conviction within the past 7 years, unless that felony has been dismissed, withdrawn, expunged or set aside pursuant to Penal Code sections 1203.4, 1000 or 1385, as well as currently being on probation or parole for the sale, distribution, possession or manufacture of a controlled substance. Also, operators must adhere to the City's application process and demonstrate compliance with the City's codes and regulations, as well as State law. Failure to do so may result in disqualification.

Is there a pre-determined number of businesses that can operate in this area?

Measure X has no specific limit on the number of medical marijuana businesses that can operate in the city.

I heard that the businesses have to be a certain distance from Moon Park. Is that true?

Yes, Measure X expressly prohibits any medical marijuana business from being conducted on any lot that is within 500 feet of Moon Park. Because Measure X uses the term "lot", this means that the entire legal lot must be over 500 feet from Moon park, not just the building in which the business would be located. However, the entirety of Building O at 3505 Cadillac Avenue is prohibited from operating a medical marijuana business.

What if I want to open a dispensary in this area?

The City of Costa Mesa currently has an ordinance that prohibits marijuana dispensaries within city boundaries. Measure X did nothing to change that.

If I open medical marijuana business, can people smoke or consume marijuana inside my business? What about alcohol?

No. Measure X prohibits the consumption of both marijuana and alcohol on the premises of a medical marijuana business.

What is Prop 64?

Prop 64 was a State ballot measure approved by the voters in November 2016, known as the “Control, Regulate and Tax Adult Use of Marijuana Act” (AUMA). It allows adults 21 years and over to use, possess, and cultivate limited amounts of marijuana; it will also allow sales and other activities by January 1, 2018

What else do I need to know about AUMA?

AUMA decriminalizes the possession, processing, transporting, purchasing, obtaining or giving away of not more than 28.5 grams of marijuana or 8 grams of marijuana in the form of concentrates by persons 21 years of age or older.

It also permits persons 21 year and older year and older to cultivate up to 6 plants on the grounds of a private residence, which is defined to include a house, apartment unit, mobile home, or other similar dwelling. However, as allowed un AUMA, the city has banned outdoor cultivation of marijuana on the grounds of a private residence.

Under AUMA, can I use marijuana outside my residence?

The AUMA prohibits smoking or ingesting marijuana or marijuana products in the following places:

- In any public place (unless in inside a business that is authorized by state and local law to allow use of marijuana on its premises);
- In places where smoking tobacco is prohibited;
- Within 1,000 feet of a school, day care center, or youth center while children are present, except in or upon the grounds of a private residence or inside a business that is authorized by state and local law to allow the use of marijuana on its premises; and
- While driving in, operating, or riding in a motor vehicle, boat, vessel, aircraft or other vehicle.

So, what kind of “sales and other activities” will allowed next year?

The Bureau of Marijuana Control (formerly known as the Bureau of Medical Marijuana Regulation) will begin issuing licenses to marijuana-related retail, manufacturing, distribution, transport, dispensary and delivery businesses catering to recreational users, in addition to licensing medical marijuana businesses. However, AUMA allows local jurisdictions, such as the City of Costa Mesa, to adopt and enforce local ordinances to regulate recreational marijuana businesses and requirements related to reducing exposure to second hand smoke. AUMA also authorizes cities and counties to completely prohibit the establishment or operation of businesses within their jurisdictions.

As allowed under the AUMA, the City has adopted an ordinance that temporarily prohibits:

- Indoor cultivation of more than 6 plants.

- All outdoor cultivation on private property.
- All marijuana retail sales within the City.