

RESOLUTION NO.**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE INCREASING THE MAXIMUM NUMBER OF STOREFRONT RETAIL CANNABIS LOCAL LICENSES AND ISSUING LICENSES TO THE FINALISTS OF THE 2025 STOREFRONT RETAIL APPLICATION PROCESS**

WHEREAS, on August 6, 2025 the City Council of the City of Oceanside adopted a resolution endorsing cannabis storefront retail application materials, procedures, and format (*Storefront Cannabis Retail License Application Procedure Guidelines and Review Criteria*) consisting of a multi-phase competitive application process for a limited number of potential licenses; and

WHEREAS, on August 20, 2025, the City Council adopted an ordinance amending Chapter 7 Article XIII of the Oceanside City Code to allow up to four (4) storefront retail cannabis local licenses, which were to be awarded pursuant to the competitive application process adopted on August 6, 2025; and

WHEREAS, staff opened a storefront retail cannabis application window in October and November 2025 and received 17 applications; and

WHEREAS, Phase 1 of the storefront retail cannabis license application reviews was largely completed in January 2026 by an external consultant and confirmed by City Planning staff, with all of the 17 applicants proceeding to Phase 2 of the storefront retail cannabis license application reviews; and

WHEREAS, two (2) of the four (4) available storefront retail cannabis local licenses were issued to the City's existing operators in February 2026 after meeting the minimum Phase 2 application score pursuant to the City Council's adopted process with the Phase 2 priority scoring for the existing local license holders; and

WHEREAS, the results of Phase 3 of the storefront cannabis retail license application process identified four (4) finalists for the top two (2) rankings (1st - M and A Oceanside LLC, 2nd - Oceanside Responsible and Compliant Retail LLC, 2nd - Oceanside Retail OPCO LLC, 2nd - Green Venture Farms, LLC), constituting an unanticipated three-way tie for second place; and

1 WHEREAS, the *Storefront Cannabis Retail License Application Procedure Guidelines and*
2 *Review Criteria* did not establish a process for breaking a tie at the conclusion of the Phase 3
3 anonymous ranked choice voting; and

4 WHEREAS, the *Storefront Cannabis Retail License Application Procedure Guidelines and*
5 *Review Criteria* reserve the City's right to reject any and/or all applications, with or without cause
6 or reason and to modify, postpone, or cancel the request for a Type 10 Cannabis Storefront Retail
7 license without liability, obligation, or commitment to any party, firm, or organization; and

8 WHEREAS, Section 7.117(b) currently limits the number of available storefront retail
9 cannabis local licenses to four (4) total licenses unless otherwise authorized by the City Council,
10 and two (2) of those licenses have been issued; and

11 WHEREAS, Section 7.117(b) of the Oceanside City Code authorizes the City Council to
12 limit the number of available local licenses for each and any local license type via resolution; and

13 WHEREAS, Section 7.122 of the Oceanside City Code prohibits the transfer or sale of a
14 cannabis local license prior to the licensee's fourth year of operation, except for cases of death,
15 incapacitation, receivership, or similar impediment; and

16 WHEREAS, the acts of increasing the number of available cannabis local licenses and
17 issuing additional licenses are not a project pursuant to the California Environmental Quality Act
18 (CEQA) Guidelines Section 15378(b)(5) as such actions are an organizational or administrative
19 activity of government that will not result in any direct or indirect physical changes in the
20 environment. As such, this activity is not subject to CEQA pursuant to CEQA Guidelines Section
21 15060(c)(3). Any approved licensee will be subject to CEQA that is specific to the land use location
22 identified during the required Conditional Use Permit process.

23 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

24 1. The three (3) applicants tied in the final Phase 3 voting have been found to be equally
25 meritorious through the anonymous ranked choice vote at the conclusion of Phase 3 panel
26 interviews.

27 2. Awarding each of the three (3) applicants tied for second place a local storefront cannabis
28 license under the program is a fair and equitable method for breaking the tie that is consistent
with the City Council's intent under the storefront cannabis licensing program.

1 3. The City Council hereby increases the maximum amount of available storefront retail cannabis
2 local licenses from four (4) to six (6), such that each of the tied applicants at the conclusion of the Phase
3 3 process will be awarded a license and eligible to move into the Conditional Use Permit process.

4 4. The City Council further intends that these licenses are expressly conditioned on opening and
5 operating a storefront retail cannabis local license within the deadlines of Section 7.122 of the Oceanside
6 City Code. Should any of the six (6) storefront retail cannabis licenses issued pursuant to this program
7 modification not timely open and operate, the first two (2) licenses that fail to reach this metric shall be
8 forfeited and eliminated, thereby returning the total number of available licenses to four (4). Should
9 more than two (2) storefront retail cannabis local licenses fail to properly establish operations prior to
10 the official deadlines, those additional licenses shall be re-opened to the public at a time determined by
11 the City Manager or as otherwise established by future action of the City Council.

12 5. Nothing herein shall commit the City Council to any future discretionary land use or permitting
13 decision.

14 /////

15 PASSED and ADOPTED by the City Council of the City of Oceanside, California
16 this ____ day of _____, by the following vote:

17 AYES:

18 NAYS:

19 ABSENT:

20 ABSTAIN:

21
22
23 _____
24 Mayor of the City of Oceanside

25 ATTEST:

26 APPROVED AS TO FORM:
27 OFFICE OF THE CITY ATTORNEY

28 _____
City Clerk

City Attorney