



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Elizabeth Gibbs, City Manager

PREPARED BY: Matthew Bassi, Interim Community Development Director

MEETING DATE: July 14, 2026

SUBJECT: Cannabis Warehouse Moratorium Discussion

STAFF RECOMMENDATION:

Staff recommends the City Council discuss and provide direction.

BACKGROUND:

At the City Council's December 9, 2025 meeting, Councilmember Barrington asked that a future agenda item be brought forward for discussion regarding a possible moratorium on cannabis warehouses. This report provides background information for City Council to consider and discuss and to provide direction to Staff.

The City's current cannabis regulations for industrial properties (which include indoor cultivation, manufacturing, testing laboratory, distribution facility and micro business) was adopted by Council on July 10, 2018 via Ordinance No. 1523 (Chapter 17.53 BMC - refer to Attach 1). The cannabis regulations for commercial properties (which only include cannabis storefront retailers) was adopted by Council a few months later on November 13, 2018 via Ordinance No. 1531 (Chapter 17.54 BMC - refer to Attach 2). All cannabis uses require approval of a Conditional Use Permit by the Planning Commission and City Council as outlined in Chapter 17.12, Table 17.12.020 of the BMC (refer to Attach 3). Each retail or industrial cannabis business is also required to obtain a State Cannabis License approved and issued by the State Licensing Authority before they can begin operations in the City.

There are currently three (3) cannabis retailers operating storefront businesses in the City. The Zoning Code limits the amount of retail cannabis businesses to one (1) business per 10,000 population. With the city's population currently around 31,000 +/-, a 4th retail cannabis business would not be permitted until the population reached 40,000. All three cannabis retailers are located on Ramsey Street in the commercial zoning district and each has received approval of a Conditional Use Permit. In addition, there are three (3) cannabis industrial cultivation businesses (i.e., "indoor grows") and one (1) industrial cannabis manufacturer located in the industrial zones.

Each business has an active Conditional Use Permit approved by the City Council between December 2020 and September 2025, but only two (2) businesses are currently operating. Staff has prepared a summary memo outlining the business names and locations of each business (refer to Attach 4 for details).

JUSTIFICATION:

As City Council discusses cannabis, Staff has outlined below a couple of options to be considered in deciding how best to move forward.

Option 1 - Adopt a Moratorium

Council could direct Staff to prepare a 45-day Urgency Ordinance adopting an immediate Moratorium prohibiting the submittal of a CUP for new cannabis businesses. This urgency ordinance could be brought to Council for action at the next Council meeting (scheduled for August 25th). It's important to note that adoption of an urgency ordinance for a moratorium will require a 4/5 majority vote from the Council as required by Government Code Section 65858.

This 45-day urgency ordinance could also be extended by Council within the 45 days providing an additional 10 months and 15 days to the moratorium (1-year total). During this 1-year moratorium, Council could additionally extend the moratorium for an additional 1-year period if desired (2 years total). The primary purpose of the moratorium is twofold: 1) it stops new cannabis CUP's from being submitted; and 2) it allows time for the City to decide how best to address the cannabis issue and move forward with a code amendment. Staff would need specific direction from Council regarding what the content of the code amendment would entail (i.e., prohibition or amending standards).

Option 2: - Adopt a Zoning Code Amendment (without the Moratorium):

Council could direct staff to move forward with a zoning code amendment in lieu of adopting a moratorium. This option would take several months to process as it will require Planning Commission review with a recommendation from the Commission before the Council could take action. Under this option, Staff would need specific direction from Council regarding what the content of the code amendment would entail (i.e., prohibition or amending standards).

Regardless of what option Council directs Staff to move forward with, a zoning code amendment would ultimately need to be prepared and brought forward for Planning Commission and City Council review and approval. The zoning code amendment would need to be prepared in coordination with the City Attorney's office before it could be scheduled for public hearings.

Recommendation:

Discuss and provide direction to staff.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. [Attach 1 - Chapter 17.53 \(Industrial Cannabis Regs\).pdf](#)
2. [Attach 2 - Chapter 17.54 \(Retail Cannabis Regs\).pdf](#)
3. [Attach 3 - Chapter 17.12 Excerpt \(Comm-Ind Use Table\).pdf](#)
4. [Attach 4 - Existing Cannabis Users Memo \[7-7-26\].pdf](#)