

**ALAMEDA COUNTY
BOARD OF SUPERVISORS'
TRANSPORTATION/ PLANNING COMMITTEE
SPECIAL MEETING**

Wednesday, May 2, 2018

1:00 p.m.

Supervisor Scott Haggerty, Chair
Supervisor Nate Miley

Location: County Administration Building
Board of Supervisors Chamber
1221 Oak Street, Room 512
Oakland, CA 94612

Summary/Action Minutes

I. Consideration of Issues Regarding County Ordinances for Cannabis Manufacturers, Distributors, Testing Laboratories and Microbusinesses – Community Development Agency

[Attachment](#)

Liz McElligott, Assistant Agency Director, Community Development Agency, presented a memorandum on Consideration of Issues Regarding County Ordinances for Cannabis Manufacturers, Distributors, Testing Laboratories and Microbusinesses.

Recently-adopted County ordinances address cannabis retail sales, delivery, and cultivation, but not manufacturing, distribution, testing laboratories, or microbusinesses. In order to allow these additional uses in the unincorporated area, amendments to the County Ordinance Code, similar to those for retail sales and cultivation, would need to be adopted. At your March 21, 2018 Committee meeting, staff presented information regarding state regulations for cannabis manufacturers, distributors, testing laboratories, and microbusinesses, and discussed issues to be considered in allowing these types of facilities in the unincorporated area.

At the March 21, 2018 Transportation & Planning Committee meeting there was discussion of whether additional cannabis operations need to be allowed in the unincorporated area, taking into consideration the number of operations that are already permitted in the cities within the County. A total of 61 licenses have been issued for the four manufacturing license types provided by the state. Fifty-two of the operations are located in Oakland. There are 49 businesses that have received licenses for distribution; two are for transport only. Forty-two of the operations are in Oakland. A total of six testing laboratories have received licenses in the County, three in Oakland and three in Berkeley.

Based on direction from your Committee, staff will report on options for the consideration of new ordinances for cannabis manufacturing operations, distributors, testing labs, and microbusinesses at your next Committee meeting.

Speakers

Sharif El-Sissi stated that the County should allow outdoor cultivation and allow the manufacturing, distribution and other related activities at the cultivation site.

Commander Miles, Sheriff's Office, stated that cannabis operations should not be expanded, the County should monitor the current operations and learn from other jurisdictions.

Purpose:

- Report progress
- Advocacy or Education
- Request Transportation and Planning Committee recommendation**
- Other:

Recommendation from Transportation & Planning Committee: Staff to draft ordinance to allow small manufacturing in commercial areas; microbusinesses in commercial areas; testing labs in commercial areas; Staff to draft an ordinance to allow self-distribution for cultivators; Staff to review whether any distributors will be allowed in the commercial areas.

II. Consideration of a Draft Ordinance Adding Chapter 2.36 to the Alameda County Ordinance Code, Enacting a Cannabis Business Tax [Attachment](#)

Pete Coletto, Principal Analyst, County Administrator's Office, presented a PowerPoint presentation on the Consideration of a Draft Ordinance Adding Chapter 2.36 to the Alameda County Ordinance Code, Enacting a Cannabis Business Tax.

The Transportation & Planning Committee has directed staff to place the Cannabis Business Tax on the November ballot to tax general purpose gross receipts tax; supply chain segments separated (cultivation, manufacturing, retail etc. The County will obtain a maximum authority from voters, but set initial rates lower than the maximum authority with Board ability to adjust rates.

Timeline

General Election is November 6, 2018 – The Board of Supervisors needs to place on the ballot at least 88 days before the election (Aug 10th)

Two (2) Ordinance readings and resolution adoption with 2nd reading of ordinance

Draft ordinance for review for Transportation & Planning Committee

Review for Board retreat in May/June

Ordinance adoption late June/early July

Speakers

Stephen Zavell asked for clarification on the Sheriff's request for \$3.3 million and more personnel, why is more manpower needed; Take SB 1302 into account with respect to delivery services.

Robert Raich stated that the Sheriff's Office has requested nine new sheriff's deputies to regulate six to eleven cannabis businesses. There is no need for nine deputies to regulate six legal businesses that are regulated by the State of California and the Alameda County Community Development Agency.

Sharif El-Sissi supports the taxes proposed and he also supports the additional deputies.

Denise Martelacci stated that she would like to see some of the tax funds used for issues surrounding Measure D or to address the potholes in the streets.

Purpose:

Report progress

Advocacy or Education

Request Transportation and Planning Committee recommendation

Other:

Recommendation from the Transportation and Planning Committee: Staff to include information on the following when the Draft Cannabis Business Tax Code is presented at a future Board of Supervisors Retreat: 1) Should Alameda County tax the cannabis industry if the industry cannot receive the benefits of federal tax laws? If yes, what should be the maximum tax amount? Should the County levy the tax, if voters approved if the cannabis industry cannot benefit from federal tax laws? What should the tax rate be? Where should the County apply cannabis tax funds?

Proposed Tax Rates recommended by the Transportation & Planning Committee:

2% for retail

5% for cultivation

5% for any other use

III. Consideration of Fee Ordinance for Cannabis Cultivation, Retail and Delivery Permits Community Development Agency
[Attachment](#)

At the April 18th Transportation & Planning Committee, staff presented the fee study for cultivation, retail, and delivery permit fees along with a draft ordinance for adoption of the proposed fees. The Committee requested that staff consider what effect reducing the number of proposed monitoring and compliance inspections from quarterly to twice per year would have on reducing the proposed Annual Regulatory Program Fees for cannabis cultivation and retail operations.

Staff has recommended to reduce the proposed number of inspections for cultivation and retail to two (2), to be reviewed annually by Code Enforcement. Include ability to charge at cost if additional inspections are required.

Speakers

Robert Raich stated that stand alone delivery services should be allowed in Alameda County. More delivery services can provide lower rates. It should not be limited to store front dispensaries.

Denise Martelacci stated that delivery allows for consumer and patient choice.

Purpose:

- Report progress
- Advocacy or Education
- Request Transportation and Planning Committee recommendation
- Other:

Recommendation from Transportation & Planning Committee: Support. Move to the full Board of Supervisors.

IV. PUBLIC COMMENT
None.