

# *Cannabis Regulatory Commission (former Measure Z)* Regular Meeting

---

Thursday, January 16<sup>th</sup>, 2014, 6:00 p.m.

Council Chambers, City Hall, One Frank H. Ogawa Plaza

## Meeting Minutes

### **Members:**

|                 |            |                   |                    |
|-----------------|------------|-------------------|--------------------|
| Dale Gieringer  | District 1 | Jacob Sassaman    | District 7         |
| Tyson Nagler    | District 2 | A. Kathryn Parker | At Large           |
| Sierra Martinez | District 3 | Vacant            | Mayor              |
| James Anthony   | District 4 | Amanda Reiman     | City Auditor       |
| Matt Hummel     | District 5 | Joe DeVries       | City Administrator |
| Marlon Hendrix  | District 6 |                   |                    |

Available on-line at: <http://www.oaklandnet.com/measurez>

## AGENDA

### A. Roll Call and Determination of Quorum

*Members Present: Gieringer, Nagler, Hummel, Hendrix, Sassaman, Parker, Reiman, DeVries, Anthony*  
*Members Absent: Martinez*

### B. Open Forum / Public Comment

*Cecile Bernaudi spoke about the New Year bringing in full legalization in Colorado. Also in Portland, Maine cannabis was made legal (even though the state failed to pass the law). She recommends that the committee check in with their elected officials and remind them of the changing political climate nationally.*

*A letter that was distributed at the November meeting by William Taggart was presented during Open Forum for review and Chairperson Hummel noted that the letter could be useful to the discussion around regulated growing of cannabis.*

*Member Nagler introduced himself to the Commission. He explained that he was nominated by Council President Kernighan and that she was interested in appointing someone who does not have any professional affiliation with cannabis and he fits that role.*

### C. Review of the Pending List and Additions to Next Month's Agenda

*Chairperson Hummel added a discussion of horticultural waste associated with cannabis grows and how it could benefit the City's Recycling Program by diverting material from landfills to the pending list as item 7. He*

Persons may speak on any item appearing on the agenda; however a Speaker Card must be filled out and given to a representative of the Cannabis Regulatory Commission. Multiple agenda items cannot be listed on one speaker card. If a speaker signs up to speak on multiple items listed on the agenda, the Chairperson may rule that the speaker be given an appropriate allocation of time to address all issues at one time (cumulative) before the items are called. All speakers will be allotted 3 minutes or less – unless the Chairperson allots additional time.

♿ This meeting is wheelchair accessible. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meetings of the Cannabis Regulatory Commission, please contact the Office of the City Clerk (510) 238-3612. Notification two full business days prior to the meeting will enable the City of Oakland to make reasonable arrangements to ensure accessibility. In compliance with Oakland's policy for people with chemical sensitivities, please refrain from wearing strongly scented products to events.

Questions or concerns regarding this agenda, or to review any agenda-related materials, please contact the Cannabis Regulatory Commission at (510) 238-3301.

*also added a discussion on packaging for sales of cannabis to the pending list to help reduce waste associated with sales as Item 8.*

*Member Sassaman raised a concern about a local "Measure Z" Club that was busted by OPD with arrests. It was the first "Measure Z" Club bust that he had heard of with arrests. He would like to know more about this arrest; there were allegations of gun possession and a large amount of cannabis (29 pounds). Chairperson Hummel suggested this be scheduled for next month and also had questions about what initiated the investigation. As a regulatory Commission he noted the group needs to support enforcement when appropriate but would like more details.*

*The Commission agreed to add this to the February Agenda.*

*Member Reiman suggested moving item 7 (horticultural recycling) to the agenda for next month instead of placing it on the pending list due to how important the issue is especially in the news right now. A motion was made and it was added.*

D. Approval of the Draft Minutes from the Cannabis Regulatory Commission meetings of October 17<sup>th</sup>, and November 21<sup>st</sup>, 2013

*The November Minutes were approved with minor edits to be provided by Member Parker.*

E. Reports for Discussion and Possible Action

1. 2013 Annual Report to the City Council, final review (see attached)

*Member Reiman suggested the issue of on site consumption be added to the annual report. There was concern that the item was not really discussed in calendar year 2013. Member Gieringer suggested language for the annual report that would allow for the item to be touched on without getting into the substance of the issue. The Commission supported the language he recommended.*

*Joe DeVries suggested a couple of other minor changes and Member Parker made a motion to approve the report and direct staff to schedule it for the Public Safety Committee. The motion was approved unanimously.*

2. Report from the Cultivation Regulation Research Committee (see attached)

*Chairperson Hummel presented the attached written proposal to expand the size of personal grows and allow for larger commercial grows (not as large as what the City had considered a few years ago).*

*Ellen Cobb with CA NORML approached the dais with some comments and questions. She supports the idea of several tiered gardens and asked if the fees would be different for each tier and who would be the third party inspector. Chairperson Hummel noted the fees would be the same but based on production so the amount would go up as the production did. He thought the City should decide how the third party inspections were handled.*

*Member Gieringer asked if any specified fees are in the document and also would the city's tax on cannabis be applied. The short answer is yes, it's wholesale and would be required. Chairperson Hummel suggested some form of system could be developed to have receipts issued when a sale to a dispensary is made.*

*There was some discussion of Measure F and how that tax works. Member Anthony indicated any sale of cannabis theoretically is subject to that tax. Member Nagler asked if the “sale” of surplus medical cannabis is really just a reimbursement and therefore exempt from the tax. Member Anthony stated that even though it really is a reimbursement, the State Board of Equalization does not look at it that way. There were mixed answers as to whether dispensaries are calculating the tax and discussion about how to calculate the tax and whether growers would abide by a new system.*

*Chairperson Hummel wants to take this proposal to his City Council Member (Gallo) to see if he would want to run with this idea.*

*There was discussion about making this issue relevant to Council Members. Member Anthony noted that the problem of homes in residential neighborhoods being gutted and turned into grow houses is real and would motivate the Council to act more so than allowing for larger cannabis production with greater benefit to growers. He believes Council member Kalb’s Office is interested in this issue. Developing a one page synopsis of the problem and this proposal as a solution would be helpful.*

### 3. Discussion of Cannabis Cabaret Proposal (see attached)

*Member Rieman summarized the written proposal she submitted and explained the benefits of past on-site consumption locations both in Oakland and elsewhere and noted that this could help entertainment districts like Uptown where there is a lot of consumption on the street. She noted that this would be different from consumption at a dispensary because there would be no sales on site, only consumption. She also noted that alcohol would not be allowed.*

*There was some discussion as to whether the City’s cannabis tax would apply to such a venue as well as whether or not it would be economically feasible for a business to allow smoking but no sales or alcohol sales (which bring in enough money to keep the doors open). Member Rieman also noted that having licensed facilities prepares for when cannabis is legal statewide.*

*Member Gieringer sees this as a way to put Oakland back on the map as a leader in the cannabis world. Member Parker asked about the impact of the Smoking Ordinance, and Member Nagler pointed out that simply eliminating the word “weed” from the Smoking Ordinance would avoid that conflict. He and Member Sassaman acknowledged their support for this proposal.*

*There was also some discussion about mixing alcohol and cannabis. If a bar wanted to apply for a permit, they could, but the City would have to decide. Another concern was raised about the age of consent. In other words, it could create a problem if an establishment lets 18 year olds smoke and it attracts school age kids. Also, it creates a double standard between alcohol and cannabis. Member Gieringer commented that he believes the two need to be kept separate because of the problems associated with mixing alcohol and cannabis. Member Anthony noted he likes the proposal but would suggest the writing be more specific to avoid confusion.*

*Member Nagler raised questions about the inherent potential conflict with the 18 year old who has a medical recommendation versus a 21 year old who would be allowed to smoke if California legalizes cannabis for adults similar to alcohol. Member Reiman noted this is another example of the need for a regulated, licensed system.*

*The item was placed on the agenda for continued discussion next month.*

4. Adopting of modified By-laws (Based on Name Change of Commission, attached)

*The bylaws were approved unanimously.*

F. Announcements

G. Adjournment