

MEETING OF THE MEDICAL CANNABIS COMMISSION

City Hall
2180 Milvia Street
Redwood Room (Sixth Floor)

Thursday, February 2, 2017
2:00 PM

APPROVED ACTION MINUTES

I. Call to Order – 2:13 pm

A. Roll Call and Ex Parte Communications Disclosures

Commissioners present: Cooper, Lampach, Pappas, Rice, Cable, Ferguson-Riffe (arrived at 2:20, left at 3:30).

Absent: Carlisle.

Staff Present: Secretary Elizabeth Greene, Assistant Planner Sydney Stephenson

Ex Parte Communications None.

B. Changes to Order of Agenda

None.

II. Public Comment

None.

III. Approval of January 5, 2017 Minutes

Chair Pappas pointed out that the Chairperson's Report was from the November meeting, and he asked that it be updated to reflect his comments at the January meeting. Staff made the following changes:

Chair Pappas made the following announcements:

- ~~He announced that he attended the Planning Commission meeting on November 16th, 2016 in regards to delivery-only dispensaries and cultivation facilities and he hopes to have the subcommittee meeting prior to the December 21st, 2016 Planning Commission meeting.~~
- ~~He congratulated this Commission for the work done over the past year on the cultivation ordinance and selection process and expressed his gratitude and appreciation.~~
- ~~He commented on the fact that no new or current dispensary owners are in attendance at the MCC meetings.~~
- Attended the Planning Commission meeting. There are many new Commissioners and they assume the MCC is behind the push for delivery-only dispensaries rather than staff. The PC needs more information about the MCC and medical cannabis. Encouraged people to attend next PC meeting.
- Commissioner Lampach and he met with Mayor Arreguin to point out the need for more commissioners and the need for delivery-only dispensaries. The Mayor expressed interest in expanding the number of dispensaries to 8 and is positive about cultivation.

- Top priority of the MCC should be to get the medical cannabis cultivation ordinance passed.

Motion/second to approve the amended minutes (Cooper/Pappas). The motion carried 5-0-0-2. (Ayes: Cooper, Lampach, Pappas, Rice, Cable. Noes: None. Abstain: None. Absent: Ferguson-Riffe, Carlisle.)

IV. Planning Staff Report

Secretary Greene made the following announcements:

- Introduced Assistant Planner Sydney Stephenson, who will be helping out at the meetings.
- Introduced new Commissioner Austin Cable, appointed by Councilmember Davila.
- Delivery-only dispensaries discussion will go back to Planning Commission on March 15th.
- Staff is drafting the Commission's response to Recreational Cannabis Referral from Council.
- On January 31st City Council approved the first reading of the Medical Cannabis Cultivation Ordinance. The ordinance will not become effective until the Council adopts a limit to the number of cultivation facilities.
- Three late communications:
 - City Manager, Requesting community input on Strategic Plan
 - Two communications from Chair Pappas (see Chairperson Report).

V. Chairperson's Report

Chair Pappas made the following announcements:

- He explained his two late communications. One is a letter to Councilmember Sophie Hahn about the Cultivation Ordinance and one is a radio interview about medical cannabis.
 - Letter to Councilmember Sophie Hahn about cultivation ordinance
 - Radio Interview about Medical Cannabis

VI. Subcommittee Report

Chair Pappas and Commissioner Lampach gave the report. The subcommittee met on January 31st, 2017. They discussed different aspects of delivery-only dispensaries including:

- Who can receive the delivery and showing IDs and medical cards?
- Could health services be allowed like massage services using THC infused lotions or hospice services?
- Security for the driver and car. Should there be to people in the car and surveillance cameras?
- Capturing sales tax of delivery-only businesses from outside the city.
- Discussion about recreational cannabis and allowing temporary licenses (mentioned in the state laws).

VII. Discussion and Action Items

A. Election of Officers.

Staff reviewed the responsibilities of the commission officers.

Public Comment: None.

Motion/second to vote Lampach as Chair (Ferguson-Riffe, Pappas). The motion carried 6-0-0-1. (Ayes: Cable, Cooper, Lampach, Pappas, Rice, Ferguson-Riffe. Noes: None. Abstain: None. Absent: Carlisle.)

Motion/second to vote Pappas as Vice Chair (Lampach/Ferguson-Riffe). The motion carried 6-0-0-1. (Ayes: Cable, Cooper, Lampach, Pappas, Rice, Ferguson-Riffe. Noes: None. Abstain: None. Absent: Carlisle.)

B. Discuss Delivery-only Dispensaries and selection process.

Staff reintroduced the draft ordinance language for delivery-only dispensaries (12.23.020 and 12.27.115). Staff requested feedback from the Commission about any necessary changes to the language.

Public Comment: Eight public comments. The comments mentioned the benefits of delivery-only dispensaries as start-up businesses, a cap on the number of delivery-only dispensaries will further encourage the black market and allow large operators to control the cultivation market, and the majority of delivery-only dispensaries will only deliver products with no services. Other comments were concern about regulation of taxes on delivery-only dispensaries coming from surrounding cities and co-operating manufacturing and delivery-only dispensaries at the same location.

The Commissioners discussed the draft language of 12.23.020 and 12.27.115. The Commission requested staff to research and bring back information about security for drivers, levels of discretionary review, check if the 600-foot buffer applies, and state laws regarding who can receive the product. The Commission also requested staff to ask the City Attorney about adding health services (like massage) to the definition of delivery-only dispensary. The Commission encouraged people to attend the Planning Commission meetings when they discuss medical cannabis topics.

C. Discuss outcome of January 31st Council consideration of cultivation ordinance and next steps.

Michael Cooper presented at the City Council meeting that discussed the Cultivation Ordinance. City Council approved first reading ordinance, with a few questions and reinstating the cap 6 cultivation sites. Staff will determine if the Cultivation Ordinance will need to go back to the Planning Commission with this change, and then back to Council. After a second reading of the ordinance and it is approved there will be 30 days until it comes into effect. Councilmember Hahn was concerned about cultivation in the M Districts because of space, price, cultivation facilities abutting residential districts, energy use, cost to city, and students having too much access to cannabis. There will be no selection process for cultivation sites, it will be first come first serve. The Council might consider requiring cultivation businesses to get all their energy from green energy sources.

Public comments: There were two public comments, praising the hard work of the MCC regarding their work, disappointment with the Council's decision about the 6 cultivation facilities, and concern about the relation between Prop 64 and this issue.

Councilmember Rice was concerned about Planning Commission postponing discussion on the expansion of cultivation outside the M Districts. Councilmember

Cooper mentioned that the MCC should have a plan for how to approach the Planning Commission and ask them to discuss expanding cultivation outside the M Districts.

X. Adjournment

Motion to adjourn at 4:03.

Four late items were distributed at the meeting:

- a. City Manager: Request community input about Strategic Plan
- b. Chair Pappas: Letter to Councilmember Hahn
- c. Chair Pappas: Radio Interview about medical cannabis
- d. Karen Rice: Letter to Chair Pappas, Vice-Chair Ferguson-Riffe, and Elizabeth Greene about Staff's recommendation to Planning Commission postpone discussion of expanding cultivation outside M Districts

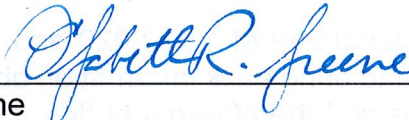
Commissioners in attendance: 6

Members of the public in attendance: Approximately 12

Public speakers: 7

Length of meeting: 1 hour, 50 minutes

APPROVED: _____



Elizabeth Greene

Medical Cannabis Commission Secretary