

**TO: Medical Cannabis Commission**

**FROM: Sydney Stephenson, Assistant Planner**

**SUBJECT: Points of Discussion: Delivery-only Dispensary Issues**

**DATE: April 6, 2017**

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At the February 21, 2017 MCC subcommittee meeting, the subcommittee discussed issues about delivery-only dispensaries and the proposed delivery-only dispensary ordinance. Below are remaining issues that need to be addressed and answered by the MCC. The following issues include answers from the subcommittee as well as responses from staff.

**1. Delivery-only dispensary definition:**

- The subcommittee believes the definition should read as follows:

*“Delivery-Only Dispensary” is a Dispensary that is limited to delivering Medical Cannabis and related products and services to its Members, and does not have a location to Members may come to acquire Medical Cannabis.*

Further information was sought with respect to why certain types of services couldn't be offered at the business location (i.e. counseling services). The subcommittee also thought that patients *should* be allowed to visit the delivery service location to inspect for cleanliness and for the purpose of registering with the delivery and other forms of patient inquiry.

- Staff recommends that a) no patients should visit delivery-only dispensaries. One of the primary differences between delivery-only dispensaries and standard dispensaries is the lack of patient traffic at a delivery-only dispensary. Delivery-only dispensaries will be subject to City Health department inspections; and b) services should not be permitted with delivery-only dispensaries because services, like massage, are considered separate uses and not accessory to the retail use.

**2. Allowable amount of medical cannabis carried at any one time in a delivery vehicle:**

- The subcommittee believes that drivers should be able to carry more inventory than was specifically ordered by patients during delivery routes. Patients will often reject products they ordered in favor of other products. Also, the environmental and communal impacts of back and forth trips would be significantly heightened. The subcommittee recommends that the city should look into a monetary cap per car (i.e. San Jose requires that each car can carry no more than \$3,000 in product at any time).

- Staff recommends adding language that delivery-only dispensaries may only deliver specifically ordered items. If delivery-only dispensaries were allowed to package and fill orders in the vehicles then they would be considered “mobile” dispensaries instead of “delivery” dispensaries. “Mobile” dispensaries would go against 12.27.115.D.8.

**3. Hours:**

- Staff recommends that deliveries may occur only between the hours of 8:00 a.m. and 11:00 p.m.

**4. Security:**

- Staff is considering language that would require drivers to wear body cameras.
- Staff recommends adding language that drivers shall not be allowed to carry arms, which aligns with the prohibition on dispensary guards carrying arms.

**5. Selection or application process:**

- The subcommittee does not support a limit in the number of licenses, or in the alternative that if there is to be a limit that some kind of selection process would be needed.
- Staff recommends up to 10 delivery-only dispensaries be permitted, on a first-come-first-serve basis.

The following two questions were brought up at the February 2, 2017 MCC meeting and staff has provided the answers below:

**1. How will delivery-only dispensaries based outside the City be taxed?**

- Delivery-only dispensaries based outside the City will be required to obtain a business license in Berkeley. This is how other services based outside the City, like landscaping or housecleaning services, are licensed. This allows the City to receive tax revenue from these businesses.

**2. Will services (e.g. massage) be allowed with delivery-only dispensary?**

- Services, like massage or hospice, will be required to obtain a separate business license in addition to the delivery-only dispensary license.