



REQUEST FOR PROPOSALS

CANNABIS BUSINESS OPERATING PERMIT

For

RETAIL DISPENSARY

April 22, 2019

I. SUMMARY OF CANNABIS REQUEST FOR PROPOSALS

The City of Alameda may issue a limited number of cannabis retail dispensary permits through this Request for Proposals (RFP) process. The RFP process may result in selected applicants securing eligibility to apply for a retail dispensary Cannabis Business Operator's Permits (CBOP) with a condition of mandatory delivery.¹

In order to apply for and be eligible to receive a CBOP, the applicant must have control over a physical location outside of designated cannabis buffer zones for sensitive uses. **Receiving an award to apply for a CBOP does not constitute an entitlement approval. All applicants whose proposals are accepted must thereafter submit a CBOP application and apply for and receive a land use permit, State license, and other applicable regulatory approvals.**

The RFP process will be in two parts as described herein. Applicants responding to the RFP are required to:

- Submit a Letter of Intent (LOI), along with the required fee; and
- A proposal if applicant meets the minimum requirements of the LOI.

Applicants who are applying for more than one permit must meet each of the foregoing requirements for *each* proposed location.

II. INTRODUCTION

Alameda, California is known as the Island City and is often referred to as the "Jewel by the Bay." This unique community of approximately 78,614 residents in the San Francisco Bay Area is connected to the East Bay mainland by four bridges and two subterranean tubes, and by ferry service to San Francisco. The Oakland International Airport/FedEx Bay Area hub is seven miles away from downtown Alameda and less than 15 minutes by car from Alameda's major business parks. The City is centrally located near main transportation arteries. Bay Area Rapid Transit (BART) stations are minutes away by bus, shuttle, or car. The AC Transit Transbay bus line to San Francisco runs every weekday in 15 to 30 minutes intervals during commute hours.

The community is proud of its history and small-town charm, with an abundance of tree-lined streets, two main streets, two business parks, working and recreational marinas, good public schools in safe and walkable neighborhoods, well-maintained historic districts, and many innovative and acclaimed companies. Businesses such as Penumbra, Peet's Coffee & Tea roasting facility, Exelixis, Abbott Diabetes Care and Saildrone are

¹ There may be up to four dispensary permit slots. At this time one slot has been awarded, three may be available as part of this RFP. Once the first dispensary is open, the fourth dispensary shall not open until four and one half (4½) months after the first dispensary is open, or until April 1, 2020, whichever occurs first.

located here. Alameda is also home to the College of Alameda and is in close proximity to the University of California, Berkeley and California State University, East Bay.

For population and other general information about the City, please see the “At A Glance” brochure ([Attachment 1](#)).

III. BACKGROUND

On November 7, 2017, City Council adopted its first local regulations by ordinance, allowing commercial cannabis activities in Alameda. These local regulations became effective January 18, 2018. Later, the City Council created and expanded the cannabis zoning districts; amended the cannabis ordinances to refine definitions; allowed testing, manufacturing and cultivation businesses to apply for permits on a first-come-first-serve basis; allowed “Adult Use” (recreational cannabis); and increased the number of retail dispensaries from two to four and required two dispensaries to provide delivery services as part of the CBOP.

As part of the commercial cannabis regulatory framework, implementing regulations were promulgated (see [Attachment 2](#)).

The City is issuing this RFP for retail dispensary businesses only (other cannabis businesses including manufacturing, testing labs, and nursery cultivation can apply directly for a CBOP and use permit).

IV. PROPOSED SCHEDULE

The City reserves the right to alter the following schedule as necessary:

RFP Issued	Monday, April 22, 2019
Written Questions from Applicants due	Monday, May 6, 2019
Submit LOI and documentation, and \$900 LOI review fee due	Monday, May 13, 2019 at 4:00 PM
Letter Issued to Qualified Applicants Moving Forward to Proposal Phase	Monday, May 20, 2019
Answers to Written Questions Issued	Monday, May 20, 2019
Application and \$4,400 fee due	Monday, June 10, 2019 at 4:00 PM
Initial Review	Week of June 10, 2019
Interviews	TBD
Announcement of Selected Applicants and Letters Issued to Successful Applicants	TBD

V. PROCESS

The City will have a two-part process for conditionally awarding the right to apply for CBOPs for retail dispensaries. To ensure compliance with local cannabis regulations (“delivery-required”), each applicant for the three (3) available permits subject to this RFP must be prepared to provide delivery, as part of the operations.²

A retail dispensary permit is required for all activities for which State law requires a “Type 10,” or similar license, for the sale of Cannabis or Cannabis Products at a location open to the public.

All applicants responding to the RFP must timely submit the following (Late submittals will be returned to the applicant unopened):

- An LOI in the format outlined in Attachment 3. (All hand-delivered LOIs must be made by appointment.)
- A \$900 fee, by check, cashier’s check or money order to cover the cost of staff review of the LOI.³ **Credit or debit cards will not be accepted.**
- Evidence of a secured location for the proposed cannabis business as described below.
- Evidence that the proposed cannabis business location is outside of the buffer zone for sensitive uses, as described below. By submitting an LOI, applicants acknowledge that it is their sole burden to conduct adequate due diligence to produce sufficient evidence of buffer zone compliance.

Applicants failing to submit the foregoing items will be eliminated from the RFP process. Applicants satisfying the submittal requirements will be listed on the City’s website.

Concerning the competitive portion of this RFP process, applicants with evaluation scores of 75% (60 points) or better will proceed to an oral interview (see below). Following the oral interviews, the top-rated applicants, subject to the number of available permits at the time, will receive notice informing them of the right to apply for a CBOP. Such applicants must apply for a CBOP within 120 days of receipt of the notice. Once the number of available permits has been reached, the remaining qualified applicants will be placed on a waiting list that will be valid for two years from the date of the notice. If an applicant has the right to apply for a CBOP fails to secure all of the required entitlements within the proposed schedule or within one year from the date of the conditional award letter, whichever is sooner, the next applicant on the waiting list will have the opportunity to

² Per applicable regulations, the applicant with the highest rank among those currently in the RFP process may opt to be relieved of the requirement to offer delivery, as part of the permitting process.

³ Applicants that submitted LOIs in response to the City’s first RFP may be entitled to a fee waiver, provided that the LOI, including the attachment for the secured location, submitted as part of this application is in substantially the same form and is for the same location as the first submittal.

apply for a CBOP. The City Manager may extend this one-year time deadline for “good cause,” as that term is defined in the regulatory ordinance.

VI. PROPOSAL REQUIREMENTS

Submitted proposals must include a \$4,400 RFP fee and the following information in the ensuing order. All information submitted to the City must be current. Applicants have a continuing duty to confirm that any requested information submitted previously as part of the LOI submittals remains accurate, and notify the City immediately of any inaccuracies:

1. **Provide Evidence of Secured Location for the Cannabis Business.** Evidence of a secured location for a cannabis business includes, but is not limited to: a real estate letter of intent (RELOI) to lease or purchase property from a party authorized to lease or sell such property; a purchase agreement, a lease, an option to purchase, an option to lease or purchase property; or evidence of the applicant’s ownership of the property. These terms are defined more specifically below:

Letters of interest of any kind are not acceptable. RELOIs, leases or options to lease or purchase must clearly and specifically state that the RELOI, lease, or option to lease or purchase is for the type of cannabis business listed in the proposal. **The RELOI, lease, or option to lease must reflect that the applicant will have control of the property for a minimum of two years.** A month-to-month lease or rental agreement is not acceptable.

Real Estate Letter of Intent: A signed written term sheet, letter of intent, or exclusive negotiating agreement between two or more parties, including the applicant, to sell, lease, or sublease property, outlining the terms by which the applicant will have control of the property for two or more years. These terms may be further negotiated but must provide the basis for a proposed written agreement.

Purchase Agreement: A signed written agreement that a person will purchase a specific property and the owner cannot sell to anyone else unless the terms of the agreement are not fulfilled.

Lease: A signed written agreement that gives a lessee certain rights to use and occupy specific property for at least two years.

Real Estate Purchase or Lease Option: A signed written agreement for the purchase or lease of specific real property by which the purchaser or lessee has the exclusive right to purchase or lease the property for at least two years.

Proof of Ownership: A written document, such as a deed, that shows that title to the real property is vested in the applicant.

2. **Provide a Statement Confirming that the Cannabis Business Location is Outside of Buffer Zone for Sensitive Uses.** State that the location secured for the cannabis business operations is outside of the buffer zone for sensitive uses as set forth in the cannabis ordinances (see Attachment 4). Furnish evidence supporting the foregoing statement. Any proposal located within the buffer zone for sensitive uses will automatically be disqualified.
3. **Provide a Statement of Qualifications.** Describe the Cannabis Business Owner's qualifications relative to the proposal, including experience running businesses similar to the one proposed, including cannabis and/or non-cannabis businesses. CV/resumes may be attached as an exhibit to this Section of the proposal.

"Cannabis Business Owner" means "Owner," as defined in State law, including by regulation, in addition to any of the following:

1. Each person with an aggregate ownership interest of 20 percent or more in a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee, unless the interest is solely a security interest, lien, or encumbrance. When an entity (not a natural person) has an aggregate ownership interest of 20 percent or more, then the chief executive officer and/or members of the board of directors of each entity shall be considered owners.
2. The chief executive officer of a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee.
3. A member of the board of directors of a nonprofit of a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee.
4. The trustee(s) and all persons that have control of the trust and/or a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee that is held in trust.
5. Any person, as defined herein, who assumes responsibility for the Permit.
6. Each person who participates in the direction, control, or management of person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee. Such an individual includes any of the following:
 - i. A general partner of a partnership.
 - ii. A non-member manager or managing member of a limited liability company.
 - iii. An officer or director of a corporation.

The information required by this Section shall be confidential, and shall not be subject to public inspection or disclosure except as may be required by federal, state or local law. Disclosure of information pursuant to this Section shall not be deemed a waiver of confidentiality by the applicant or any individual named in the application. The City shall incur no liability for the inadvertent or negligent disclosure of such information.

4. **Proposal Implementation.** Provide verifiable, detailed descriptions and other background information for any Cannabis Business Owner. Describe other resources, including financial resources, dedicated to implement this application. (Confidential) (500 word maximum)
5. **Understanding and Approach.** Provide a statement demonstrating the applicant's understanding and approach to running the proposed cannabis business and how that approach will integrate the business into the community in which it is located. (500 word maximum)
6. **Local Hire Program/Local Ownership/Community Benefit (optional).** Responding to this Section is voluntary. Describe the business plan, if any, to maximize the following:
 - a. Local hire program: Applicants may provide a plan demonstrating how they would hire locally. A local hire plan could address:
 - i. A minimum percentage of the business' employment base hired locally.
 - ii. A recruitment plan for new hires, including outreach methods.
 - iii. The hourly wage of the lowest-paid employee.
 - iv. Estimated number of employees in the first year, second year, third year, fourth year and fifth year.
 - v. Available job pathways.
 - vi. Describe any plans to train employees and promote lower-level employees.
 - vii. Estimated number of full-time and part-time positions in years one through five. (350 word maximum)
 - b. Local ownership: More than 50% ownership of the business by a three-year resident(s) or business owner(s) constitutes local ownership. Maximum points will be awarded for 100% local ownership. The local owners must provide verifiable information regarding the number of years each owner has lived in, and/or owned a business in, Alameda. If an applicant meets one or both of these standards, specify who each local owner is and how that person meets the criteria. (Names are confidential, the composition of how the ownership meets the criterion is not.) Provide verifiable information such as business license information, property tax bills, business name(s) and address(s), and the number of years each owner has lived in and/ or owned a business(s) in Alameda.

- c. Community benefit: Describe the applicant's involvement in community/non-profit organizations in the City of Alameda, Alameda County and/or the applicant's community. (350 word maximum)

7. **Proposed schedule.** Provide a schedule for opening the cannabis business. The schedule should include dates for the following:

- a. Design review, if applicable
- b. Signage approval, if applicable
- c. Issuance of State license(s)
- d. Land Use permit
- e. Issuance of CBOP
- f. Issuance of Building permit
- g. Issuance of other regulatory permits (e.g., EBMUD discharge permit, etc.)
- h. Completion of construction
- i. Opening and commencement of operations

VII. EVALUATION PROCESS

Applications (Proposals) must fully address the proposal requirements in VI above and the evaluation criteria and scoring rubric in VIII below, as well as provide complete submittals, references and data to verify qualifications. Proposals without sufficient data to provide a complete evaluation will be considered non-responsive.

All proposals will be reviewed for compliance with requirements including documented capability to operate a cannabis business in a satisfactory manner. Proposals will be evaluated in accordance with the criteria set forth below.

City shall employ "blind scoring," whereby the identities of the applicants will not be revealed when the written proposals are scored.

In the event of a tied score, the slot shall be chosen by a computer-generated random means at the discretion of the City.

The City shall make a conditional award to the applicant or applicants offering the most advantageous proposal after consideration of the evaluation criteria set forth below. The City will not be obligated to accept any given proposal, but will make the conditional award in the best interests of the City after all proposals have been evaluated.

VIII. EVALUATION CRITERIA

Minimum Requirements

LOI fee of \$900 was paid and the LOI was submitted on or before the May 13, 2019 deadline	Pass/Fail
RFP fee of \$4,400 was paid and the response to the RFP was submitted on or before the June 10, 2019, 4:00pm deadline	Pass/Fail
Evidence of a secured location for the cannabis business	Pass/Fail
Evidence that the location is outside of cannabis buffer zones for sensitive uses	Pass/Fail

Evaluation Criteria

The table below is a scoring rubric to evaluate proposals received in response to the RFP. The responses will be scored on a zero to 80-point scale, excluding the interview. The applicant must receive a minimum of 75% (60 points) of the total possible points to proceed to the interview process. Interviews will be scored on a zero to 20/24-point scale. The maximum points available, including the interview, is 104 points.

1. Statement of Qualifications describing the applicant's experience, abilities, knowledge, and overall qualifications to run the type of cannabis business for which it is seeking a CBOP	25
Has applicant provided a detailed description of the applicant's experience in operating the same or similar type business?	6
Has applicant provided information that demonstrates the means and skills for operating the proposed business?	6
Has the applicant demonstrated via factual information, practical and theoretical experience and the knowledge to run the proposed business?	6
Has the applicant demonstrated that it has the overall qualifications and breadth of knowledge for running the proposed business?	7
2. Verifiable detailed description of persons and type of resources, including financial resources, committed to implement the proposal	20
Has the applicant provided resumes/CVs and other relevant materials, such as authored reports, for and about primary and significant persons that will be responsible for implementing key portions of the proposed business?	6
Has the applicant submitted a financial statement, balance sheet, and tax returns that attest to its financial health and ability to finance and operate the proposed business?	6
Has the applicant committed to initial investment amounts and shown how it will reinvest in the business over time?	4

City of Alameda
Request for Proposals for Cannabis Business Operating Permit

Does the applicant show that it is investing in equipment, technology and facilities that are appropriate for the nature of the business?	4	
3. Description of the applicant's understanding of, and approach to, running the cannabis business		15
Has the applicant provided a full description of the proposed business, including proposed staffing levels, products, product types, testing protocols, licensing requirements, etc., demonstrating how it will operate its business?	5	
Has the applicant described what methods and means it will take to ensure that the business is integrated into the community?	5	
Has the applicant adequately described its overall approach to operational safety as it relates to employees, customers, businesses, and the community?	5	
4. Local hire (optional)		5
If a local hire program is proposed, does it contain a viable local hire recruitment plan, including outreach methods?	2	
If a local hire program is proposed, does it estimate the number of potential local employees in the first through fifth years?	1	
If a local hire program is proposed, does it describe job pathways for its employees, allowing them to be promoted within the company, such as pay for employee(s) tuition or substantially reduce the cost of tuition, etc.?	2	
5. Local ownership program (optional)		5
Is more than 50% of the business owned by a three-year Alameda resident(s) and/or business owner(s)?	3	
Is more than 75% of the business owned by a three-year Alameda resident(s) and/or business owner(s)?	1	
Is 100% of the business owned by a three-year Alameda resident(s) and/or business owner(s)?	1	
6. Community benefits		5
Does the applicant have prior involvement in community/non-profit organizations in the City of Alameda, Alameda County and/or the applicant's community? Describe.	5	
7. Proposed schedule		5
Does the schedule clearly provide realistic milestones for the following items? a. Design review, if applicable b. Signage approval, if applicable c. Issuance of State license(s) d. Issuance of CBOP/Land Use permit e. Issuance of Building permit f. Issuance of other regulatory permits (e.g., EBMUD discharge permit, etc.) g. Completion of construction h. Opening and commencement of operations	3	
Does the schedule provide a detailed, comprehensive timeline for starting operations of the business?	2	
Total		80

IX. SUBMITTAL INSTRUCTIONS

The proposal shall be signed by an individual(s) authorized to execute legal documents on behalf of the applicant. Failure to provide all required submittals may result in a proposal being found non-responsive and given no consideration.

Two (2) hard copies of the proposal and one electronic PDF version of the proposal on a flash drive shall be provided in a sealed envelope with a return address, including business name, no later than Monday, June 10, 2019⁴, 4:00 PM to the following address:

Community Development Department
Alameda City Hall West
950 West Mall Square, 2nd Floor
Attention: Lois Butler

Late proposals will not be considered and will be returned to the applicant unopened. The City assumes no responsibility for delays caused by delivery service. Postmarking by the due date will not substitute for actual timely receipt.

Any proposal received prior to the submittal date may be modified or withdrawn by written request from the applicant to the City up to the submittal deadline.

X. QUESTIONS

For information concerning RFP procedures and regulations (i.e., submission deadline, required forms, etc.), interested parties may contact:

Lois Butler
Economic Development Manager
Community Development Department
Alameda City Hall West
950 West Mall Square, 2nd Floor
Alameda, CA 94501
Email: lbutler@alamedaca.gov
Phone: 510-747-6894

XI. ADDITIONAL TERMS AND CONDITIONS

A. Nondiscrimination

The City will not discriminate against any interested individual, firm or applicant on the grounds of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, or sexual orientation.

B. City's Right to Modify the RFP

The City reserves the right at its sole discretion to modify this RFP (including but not limited to the requirements and/or the selection criteria) should the City deem that it is in its best interests to do so. Any changes to the proposal requirements will be made by written addendum posted on the City's website. The failure of an applicant to read any addenda shall have no effect on the validity of such modification.

C. City's Right to Suspend or Cancel the RFP

The City reserves the right at its sole discretion to suspend or cancel this RFP in part or in its entirety should the City deem that it is in the City's best interests to do so.

D. City's Right to Reject All Proposals

The City reserves the right, in its sole discretion, to reject all proposals and not to award the right to apply for a CBOP to any applicant should the City deem that it is in its best interests to do so.

E. City's Right to Extend RFP Deadlines

The City reserves the right to extend any of the deadlines listed in this RFP by written addenda should the City deem that it is in its best interests to do so.

F. Cost of Proposals

All costs incurred during proposal preparation or in any way associated with the applicant's preparations, submission, presentation or oral interview shall be the sole responsibility of the applicant.

G. Liability for Proposal Errors

Applicants are solely responsible for all errors and omissions contained in their proposals.

H. Permits and Licenses

Applicants, at their sole expense and at the appropriate time, shall obtain and maintain all appropriate permits, certificates and licenses including, but not limited to, a City business license, land use permit and CBOP which will be required in connection with their proposal.

I. Fees and Taxes

Cannabis businesses are responsible for paying all applicable fees and taxes. It is anticipated that City taxes will be assessed on cannabis businesses in the future.

J. Commencement of Operation

All the requisite approvals to begin commencement of operations, including without limitation, obtaining a land use permit, business license, and operator's permit, must be obtained within the applicant's proposed schedule, or one (1) year from the date of the notice of the right to apply for a CBOP, whichever is sooner. The City Manager may extend this one-year time deadline for "good cause," as that term is defined in the regulatory ordinance.

Attachments

1. At A Glance
2. Cannabis Implementing Regulations
3. Form of Letter of Intent (LOI)
4. Cannabis Ordinances

Attachment 1

(City of Alameda, “At A Glance”)



AT A GLANCE

Welcome to the City of Alameda... We have top-tier business parks and retail centers, as well as opportunity sites to bring quality development to our city. We are proud to showcase our quality of life and our community-minded, hometown charm: beautiful tree-lined streets, good public schools in safe and walkable neighborhoods, historic main street retail districts, and a friendliness and warmth virtually unequaled in the Bay Area.

Inner Bay Area Location

Alameda is commuter, business traveler and visitor friendly. We are easily accessible by BART, Amtrak, ferry, plane, highway or bicycle.



- **Bay Area Rapid Transit (BART)** - two BART stations within one mile of the island, with shuttle service from major business parks.
- **Two Ferry Systems** - direct service to Jack London Square in Oakland, Pier 41 and the Ferry Building in San Francisco, and the AT&T ballpark.
- **AC Transit** - express transbay bus service to and from San Francisco.
- **San Francisco-Oakland Bay Bridge** - 7-mile trip that can be taken in less than 15 minutes.
- **Oakland International Airport/FedEx Bay Area Major Hub** - just 6.7 miles away from downtown Alameda and less than 15 minutes by car from major business parks.
- **Amtrak Station and the Capitol Corridor Line** - less than 5 miles and under 10 minutes away.

Major Private Sector Employers

- | | | |
|------------------------------------|--------------------------------------|--|
| ■ Abbot Diabetes Care Inc | ■ Makani | ■ Semifreddi's Handcrafted Bread & Pastries |
| ■ Bay Ship & Yacht Company | ■ Penumbra | ■ Singulex |
| ■ Cost Plus Corporate Headquarters | ■ Perforce Software | ■ VF Outdoors (The North Face, Jansport, Timberland) |
| ■ Donsuemor | ■ Power Engineering Construction Co. | |
| ■ Kaiser Foundation Health Plan | | |

Source: City of Alameda

Economy

Alameda's economy includes 5 major industry clusters:

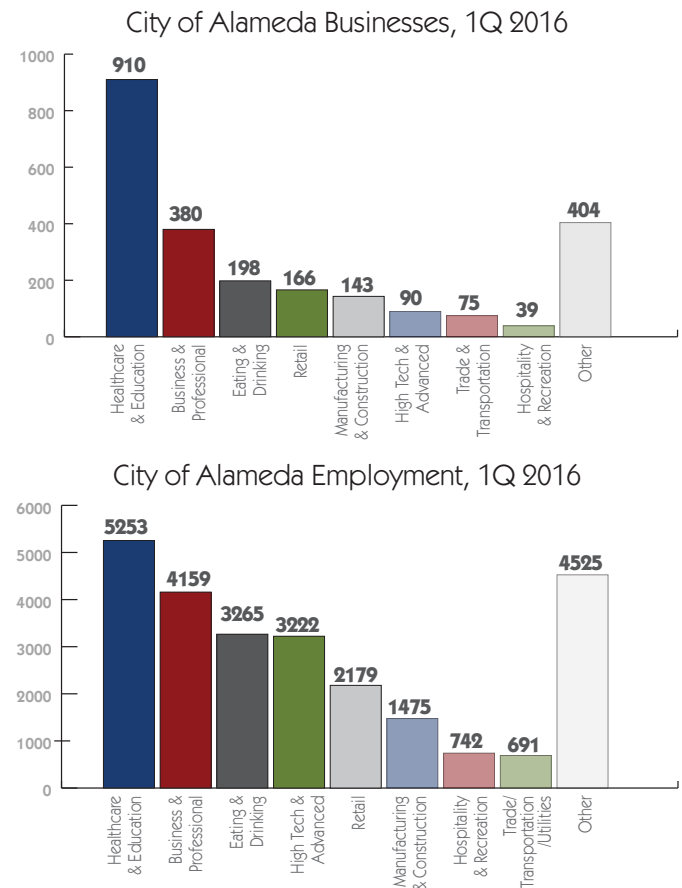
- i. High tech & advanced manufacturing
- ii. Specialty beverage and food production
- iii. Maritime industries
- iv. Alternative energy/biotech
- v. Health services

BUSINESS PARKS

- **Marina Village** – 1.2 million sq. ft. of multi-tenant office, R&D and high tech facilities in top-rated business park; wide range of space options available with beautiful views of the estuary and East Bay hills.
- **Harbor Bay Business Park** – 1.8 million sq. ft. with more than 40 acres of fully entitled land available for immediate development on the waterfront and only minutes from the Oakland International Airport.
- **Alameda Point** (former Naval Air Station) – for lease and major development opportunities available on 852 acres of prime real estate with stunning views of the Bay and the San Francisco skyline.
- **Alameda Landing** – Planned development of up to 400,000 sq. ft. of shoreline commercial space.

ALAMEDA OFFERS THE ONLY BAY-FRONT SITES
LARGE ENOUGH FOR THE DEVELOPMENT
OF CORPORATE CAMPUSES.

LOCAL BUSINESSES



Source: California EDD 2016

Retail

REGIONAL SHOPPING CENTERS

- **South Shore Shopping Center** – 594,000 sq. ft., open air shopping center: Safeway, Trader Joes, Bed Bath and Beyond, Old Navy, Kohls, and other retailers and eateries.
- **Alameda Landing** – 285,000 sq. ft. shopping center: Target, Safeway, Michael's, In-N-Out Burger, and a variety of restaurants.

COMMUNITY SHOPPING CENTERS

- **Bridgeside Shopping Center** – 105,000 sq. ft., Nob Hill and additional neighborhood shopping.
- **Marina Village Shopping Center** – 127,000 sq. ft., Lucky's, CVS.
- **Harbor Bay Landing** – 114,800 sq. ft., Safeway, general retail and restaurants.

HISTORICAL MAIN STREET BUSINESS DISTRICTS

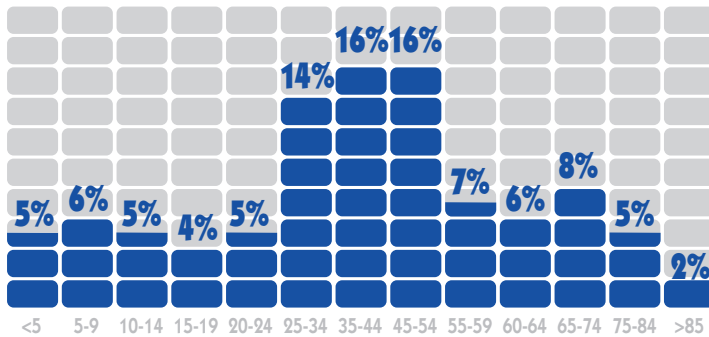
- **Park Street Business District** – 356,000 sq. ft., restored art deco movie palace and vibrant evening scene with a variety of eating establishments.
- **West Alameda Business District** – 205,000 sq. ft., locally owned restaurants and cafes.
- **Neighborhood "Station" Districts** – 17 charming retail clusters nestled in Alameda's residential neighborhoods mostly around historic streetcar stations.



Source: CA State Board of Equalization

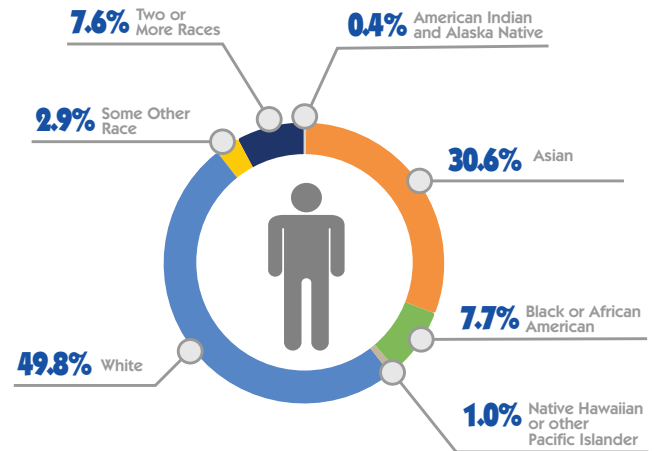
Population

POPULATION BY AGE



Total estimated population: 78,614
 Daytime population: 65,217
 Male: 48%
 Female: 52%
 Median Age: 41.4
 Voter Registration: 46,957
 Average Household Income: \$117,879
 Median Household Income: \$92,225

POPULATION BY ETHNICITY (2015)



Sources: American Community Survey 2015; U.S. Census Bureau, Center for Economic Studies; State of California, Department of Finance; Alameda County Registrar of Voters

Education

HIGHER EDUCATION

University of California at Berkeley and **California State University** in Hayward are in close proximity to Alameda, and provide a skilled workforce for local businesses.

College of Alameda, a local community college, provides educational programs and career pathways that meet the needs of local residents and employers.

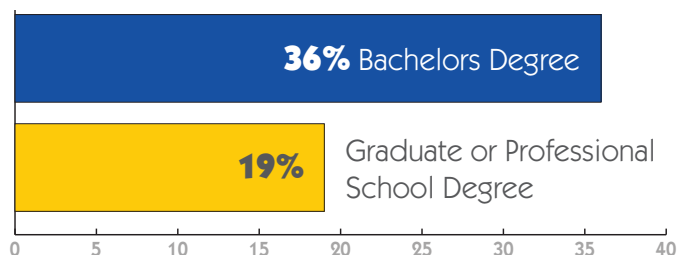
Alameda Unified School District. In November 2016, Alameda citizens voted to extend a school parcel tax with a 74.2% majority. The funds will be used to protect small class sizes, core academic programs, neighborhood schools, and retain excellent teachers.

Alameda high schools offer 17 advanced placement courses, and *U.S. News & World Report* Magazine has recognized Alameda High School as one of the top schools in the nation. Alameda is home to:

- 10 elementary schools
- 1 K-8 School
- 3 Magnet Programs
- 3 Middle Schools
- 4 High Schools

Sources:
 US Census Bureau, American Community Survey 2015; AUSD Website

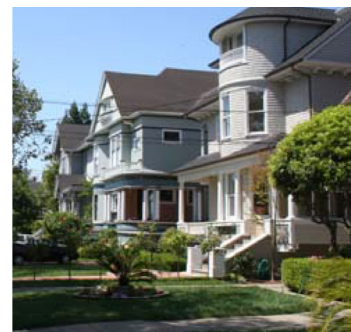
EDUCATIONAL ATTAINMENT (population 25 years and older)



Real Estate

Total Housing Units	32,042
Total Occupied Housing Units	30,696
Owner Occupied	44.1%
Renter Occupied	55.9%
Total Net Assessed Valuation FY 2016-17)	\$11.96B
Median Single Family Home Value	\$928,000
Median Condominium Home Value	\$695,000

Sources: U.S. Census Bureau, American Factfinder, 2015; Alameda County Assessors Office; Zillow.com



Recreation

Alameda is known for its beaches, bird refuges, bicycle and pedestrian paths, natural open space, and extensive waterfront picnic areas. Shoreline parks along the San Francisco Bay and the San Leandro Marina extend for more than six miles, offering spectacular views of the San Francisco skyline and the East Bay hills. Alameda also includes more than eight miles of the San Francisco Bay Trail.

- **Crown Memorial State Beach** is recognized by Sunset Magazine as “one of the best spots in the region for windsurfing and kite boarding.”
- The **second largest concentration of small boat slips (3,400) in northern California** offers ample opportunity for recreational boating and water sports.
- The 45-hole **Chuck Corica Municipal Golf Complex**, located adjacent to the Harbor Bay Business Park, is one of the most popular in the East Bay.
- **19 neighborhood parks** include 16 multi-purpose athletic fields (4 with night lighting), 10 soccer fields, 16 tennis courts, and one bocce ball court. Public swimming is available at Alameda and Encinal High School Swim Centers.
- Civic and private groups in Alameda host various **community arts** including live theater, a light opera, a community band, a historical museum, a Friday night art walk, cultural activities and a diverse community of musicians, writers, craftspersons and artists. Throughout the summer, free concerts are scheduled in various locations. Farmers markets, street festivals, and sand castle contests are regularly scheduled events.

Government

The City of Alameda was incorporated in 1854. Alameda became a Charter City in 1903 and was one of the first cities in California to adopt the Council-Manager form of government, which it retains to the present. Under this structure, the City is governed by a five-member City Council. Programs and services are administered by a City Manager. The City provides a broad range of services including police and fire protection; construction and maintenance of streets, parks, storm drains and other infrastructure; and recreational and cultural activities.

- Number of City Employees: **530** full-time employees
- Police Department: **122** full-time employees (**88** sworn officers)
- Fire Department: **108** full-time employees; **4** stations; **3** ambulances
- Total Annual Budget: **\$174.4 million** (FY 2016-17)

The City owns and operates Alameda Municipal Power (AMP), an electric utility that has been serving the needs of all Alameda residents and businesses for more than 130 years. With a renewable power portfolio that's among the highest in California, and a reliability record that ensures fewer power outages than 75 percent of utilities nationwide, it's no wonder that Alamedans rank AMP as one of the best in the state.



Alameda's electric rates average nearly 20 percent lower than neighboring communities.

Attachment 2

(Implementing Regulation No. 19-01)

CANNABIS IMPLEMENTING REGULATION NO. 19-01

IMPLEMENTING REGULATIONS GOVERNING REQUEST FOR
PROPOSALS PROCESS FOR ALLOCATING LIMITED PRIVILEGE TO
APPLY FOR A CANNABIS BUSINESS PERMIT

WHEREAS, on November 7, 2017, the City Council for the City of Alameda introduced on first reading Ordinance No. 3201 amending the Alameda Municipal Code (AMC) to add a new Article XVI (Cannabis Businesses) to Chapter VI (BUSINESSES, OCCUPATIONS, AND INDUSTRIES), that went into effect on January 18, 2018. This new article covers all aspects of regulating the operations of cannabis businesses, including requiring an operator's permit and granting the Community Development Department (or successor) the authority to adopt implementing regulations ("regulatory ordinance"); and

WHEREAS, on December 5, 2017, the City Council introduced a separate ordinance, Ordinance No. 3206, on first reading governing land use by cannabis businesses, that amended the AMC by repealing section 30-5.15 (Medical Marijuana Dispensaries and Cultivation) in its entirety and adding a new section 30-10 (Cannabis) to conditionally permit specific types of cannabis businesses in certain zoning districts ("zoning ordinance"); and

WHEREAS, on November 7, 2017, because the City Council capped the maximum number of permits to be issued by business category, staff recommended, and the Council agreed, that a Request for Proposals ("RFP") process should be utilized to select the businesses in each category who would be eligible to move forward with operator permit and land use permit applications; and

WHEREAS, on April 17, 2018, the City Council considered public testimony concerning cannabis testing laboratories, including testimony from representatives of two testing laboratories interested in locating in the City of Alameda, that by July 1, 2018, all cannabis to be sold in California must be tested by a licensed testing laboratory, and that there will likely be a shortage of licensed testing laboratories statewide, in addition to testimony from staff that given the proposed timeline for the RFP process no testing laboratory would be licensed in the City of Alameda as expeditiously as desired (certainly, not before the July 1, 2018 deadline); and

WHEREAS, following the Council's approval of a RFP process (including an evaluation rubric and a review panel) to select the businesses in each category that would be eligible to move forward with applying for and obtaining the requisite approvals, except for testing laboratories, in April 2018, the City of Alameda issued its first RFP to potential cannabis businesses to operate in the City; and

WHEREAS, on October 16, 2018, the Council re-approved the RFP process (including an evaluation rubric and a review panel) for use during the next RFP phase ("Phase II"); and

NOW, THEREFORE: pursuant Section 6-59.16 of the regulatory ordinance, the Planning, Building and Transportation Department, successor to the Community Development Department, adopts the following implementing regulations that shall govern this Phase II RFP process for allocating the limited privilege to apply for cannabis business permits, except permits for testing laboratories. The implementing regulations are as follows:

SECTION 1. Request for Proposals Implementing Regulations.

A. **Purpose.** The purpose of these regulations is to establish the process by which the City of Alameda will issue conditional award letters conferring the limited privilege of applying for the requisite approvals for an individual or entity to operate a Cannabis Business within the City of Alameda, including without limitation, a Use Permit, Business License, and Cannabis Business Operator's Permit (CBOP) pursuant to a RFP. The City of Alameda shall issue a single master RFP intended to identify potential retail dispensary cannabis businesses. Testing laboratories, manufacturers, and nursery cultivators may immediately apply for permits to be allocated on a first-in-time basis, qualified to apply to obtain the requisite approvals.

B. **Issuance of RFP.** In compliance with local law, the City Manager (or his/her designee) may issue a RFP inviting potential cannabis businesses to submit their qualifications for the requisite approvals upon prior authorization from the City of Alameda in the form of a conditional award letter.

C. **Form of RFP.** These regulations and the RFP shall govern the process by which potential cannabis businesses shall provide information to assess their qualifications to apply for local approvals to operate a Cannabis Business in the City of Alameda.

D. **Letter of Intent.** All Proposers to the RFP must submit a Letter of Intent (LOI) by the specified date and time in the RFP. Failure to do so will lead to disqualification from further participation in the RFP process.

- i. The Planning, Building and Transportation Department will review the LOIs to determine if a Proposer meets the following Minimum Requirements:
 - a) Timely submission of the LOI, as set forth in the RFP.
 - b) Timely payment of a Pre-Application Flat Fee of \$900.00.
 - c) Evidence that a location has been secured for the proposed Cannabis Business for a minimum of two years as set forth in the RFP, including without limitation any of the following:

1. **Real Estate Letter of Intent:** A signed written term sheet, letter of intent, or exclusive negotiating agreement between two or more parties to sell, lease, or sublease property. This document will provide an outline of the terms of the proposed agreement. These terms can be further negotiated but must provide the basis for the proposed written agreement.
2. **Real Estate Purchase or Lease Option:** This is a signed written agreement for the purchase or lease of a specific piece of real property. With this document, the proposed buyer or lessee gains the exclusive right to purchase or lease the property. Once a potential buyer or lessee has an option to buy or lease a property, the owner cannot sell or lease the property to anyone else during the term of the option. The potential buyer or lessee pays for this option for a specific time period.
3. **Purchase Agreement:** This is a signed written agreement that a potential buyer will purchase a specific piece of property and the owner cannot sell to anyone else unless the terms of the agreement are not fulfilled.
4. **Lease Agreement:** This is a signed written agreement that gives a lessee certain rights to use and occupy specific real property for a specified period of time.
5. **Proof of Ownership:** This is a deed that shows that title to the real property belongs to the applicant/proposer.

d) Evidence that the proposed location is outside of the applicable cannabis buffer zones for sensitive uses consistent with local law.

- ii. All Proposers will be notified whether their LOI meets the Minimum Requirements. Proposers with qualifying LOIs will be invited to submit a proposal in response to the RFP. A determination that a LOI fails to meet the Minimum Requirements is a final determination.
- iii. If the Planning, Building and Transportation Department receives fewer LOIs than the cap in any given permit category, all individuals or entities identified in the LOI will be considered qualified, terminating the RFP process, and entitling those identified in the subsequently issued conditional award letter to apply for the requisite approvals.

E. **Rating and Ranking of Proposers to RFP.** Proposals shall be rated and ranked according to the Evaluation Rubric attached hereto (**Exhibit A**) and set forth in the master RFP approved by the City Council.

- i. Proposal Submission. Proposals must be submitted according to the terms of the published RFP issued by the City Manager (or his or her designee).
- ii. Selection Criteria. The Selection Panel shall assign points as provided in the evaluation criteria to each proposal and rank the cannabis businesses as set forth in the RFP based on their written materials submitted in response to the RFP using the following criteria, which is set forth more fully in the Evaluation Rubric (**Exhibit A**):
 - a) Statement of Qualifications. Proposers must describe the Cannabis Business Owners' qualifications relative to the proposal, including experience, abilities, knowledge, and overall qualifications for running businesses similar to the one proposed (cannabis and/or non-cannabis businesses).
 - b) Proposal Implementation. Proposers must provide verifiable, detailed descriptions of the persons and type of resources, including financial resources, for *key individuals and owners of 20% or more* of the business committed to implement the proposal.
 - c) Understanding and Approach. Proposers must provide a statement demonstrating the business' understanding and approach to running the proposed cannabis business and how that approach will integrate the business into the community.
 - d) Local Hire (Optional). Proposers may provide a plan demonstrating how they would hire locally. A local hire plan could address:
 - 1. A minimum percentage of the business' employment base hired locally.
 - 2. A recruitment plan for new hires, including outreach methods.
 - 3. The hourly wage of the lowest-paid employee.
 - 4. Estimated number of local employees in the first through fifth years.
 - 5. Available job pathways.
 - 6. Plans to train or educate employees (e.g., on-the-job training, or full/partial tuition payment) and promote lower-level employees.

- e) Local Ownership (Optional). Proposers may furnish materials to demonstrate they are locally owned. As set forth in the Evaluation Rubric (**Exhibit A**), points will be awarded based on: (a) whether more than 50% of the cannabis business is owned either by an Alameda resident or business owner, and (b) the length of such residency or business ownership. Accordingly, proposers must provide verifiable information regarding the number of years of residency or ownership by the local owners constituting the majority. The maximum points will be assigned for 100% local ownership.
- f) Community Benefit (Optional). Proposers may provide a plan demonstrating their prior involvement in community/nonprofit organizations in the City of Alameda, Alameda County, and/or their local community.
- g) Schedule. Proposers must provide a schedule to ensure the commencement of operations for the proposed Cannabis Business. The schedule should include dates for the following:
 - 1. Design review approval, if applicable.
 - 2. Signage approval, if applicable.
 - 3. State license(s) issuance.
 - 4. CBOP/Land Use permit issuance.
 - 5. Building permit issuance.
 - 6. Issue of other regulatory permits (e.g., EBMUD discharge permit, etc.).
 - 7. Completion of construction.
 - 8. Opening and commencement of operations.
- h) Delivery Requirement. To ensure compliance with local cannabis regulations, which in relevant part, requires that two of the four dispensaries permitted in the City of Alameda must offer delivery services to customers, all applicants during this RFP phase must be prepared to offer delivery services.
 - 1. Refusal to comply with this requirement will lead to disqualification.

2. Notwithstanding the foregoing, the Proposer with the highest rank among those currently in the current RFP process may opt to be relieved of this requirement, as part of the permitting process.
- iii. The score cut-off to be used by the Selection Panel when reviewing the proposals to determine which Proposers are granted an oral interview is 60 points (or a score of at least 75%).

F. **Selection Panel.** Proposers who have timely submitted complete written proposals and paid the Pre-Application flat fee of \$4,400.00 shall have their proposals rated and ranked by the Selection Panel. The Selection Panel shall employ "blind scoring," whereby the identities of the owners of the proposed cannabis business will not be revealed, when the written proposals are scored.

- i. The Selection Panel shall consist of: (1) a Technical Support Panelist (non-scoring), (2) a Real Estate/Property Management Panelist, (3) a Finance Panelist, (4) a Health Panelist, (5) a Planning Panelist, and (6) a Panelist from another City department not related to cannabis.
- ii. All Panelists shall sign an acknowledgement to ensure full, fair and effective execution of their duties on the Selection Panel, including, to ensure each Panelist:
 - a) Maintains the confidentiality of any information gained during their service on the Selection Panel;
 - b) Takes all reasonable steps to ensure their service on the Selection Panel is fair and impartial, including without limitation, their disclosure prior to service on the Panel of any connection to a proposer or owner that would pose a substantial conflict of interest consistent with applicable law; and
 - c) Reviews each proposal based on the information or materials provided during the RFP process, and shall refrain from conducting outside research.
- iii. The Community Development Director shall have the authority to appoint alternates in the event any panelist cannot serve on the Selection Panel.
- iv. The Selection Panel, in its sole discretion, may make a determination of qualification based on all information submitted as part of the RFP process, including all materials submitted in writing or orally.

- v. Proposers who meet the score cut-off will be invited to an oral interview before the Selection Panel. The Selection Panel will score proposers invited for an interview in which the same questions are asked of all of the proposers. Following the oral interview, Proposers may either receive a conditional award letter or be placed on the RFP wait list depending on their rating and ranking. In the event of a tying score, the final slot shall be chosen by a computer-generated random means approved by the Planning, Building and Transportation Director.

G. **Awarding Letter.** Proposers determined to be qualified by the Selection Panel according to the score cutoff shall be issued a letter conditionally awarding to the potential applicant named therein the privilege to apply for the limited number of Cannabis Business permits. Awarding letters are non-transferrable.

- i. Once an award letter is issued, the awardee has one hundred twenty (120) days from the date of the awarding letter to apply for a Cannabis Business Permit. Failure to do so may lead to disqualification from further consideration and immediate revocation of the award letter.
- ii. The awarding letter shall also set forth any conditions on the determination that the Proposer was qualified to apply. Failure to meet any conditions of the award letter, may lead to disqualification from further consideration and immediate revocation of the award letter.
- iii. If an award letter is revoked, the City Manager (or his or her designee), in his/her sole discretion, may issue a new award letter to the next highest ranked Proposer on the RFP wait list.
- iv. The awardee must secure all the requisite approvals to begin commencement of operations, including without limitation, obtaining a use permit, business license, and operator's permit, within their proposed schedule, or one (1) year from the date of the award letter, whichever is sooner. The City Manager (or his or her designee) may extend this one-year time deadline for "good cause," as that term is defined in the regulatory ordinance.

H. **RFP Wait List.** The Community Development Department shall maintain a list for two (2) years, containing all Proposers that were not ultimately issued an awarding letter but received a score qualifying them to be wait-listed. The following is a non-exhaustive list of the instances in which a Proposer may move off the wait list:

- i. A Proposer has requested in writing to be removed from further consideration.
- ii. An award letter has been revoked for failure to meet the conditions stated therein.

I. **Phasing of Dispensary Operations.** The last CBOP permittee may commence operations and open its doors to the public no sooner than: (1) four months after the first retail dispensary commences operations and is open to the public, or (2) April 1, 2020 (whichever occurs first).

SECTION 2. CEQA. Adoption of these regulations is not a project and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, sections 15378 and 15061(b)(3) (General Rule).

SECTION 3. Severability. If any provision of these regulations are held by a court of competent jurisdiction to be invalid, this invalidity shall not affect other provisions of these regulations that can be given effect without the invalid provision and therefore the provisions of these regulations are severable. The Planning, Building and Transportation Department declares that it would have enacted each section, subsection, paragraph, subparagraph and sentence notwithstanding the invalidity of any other section, subsection, paragraph, subparagraph or sentence of these regulations.

SECTION 4. Effective Date. These regulations shall become effective upon its adoption, April 22, 2019.

 For Andrew Thomas

Planning, Building & Transportation Director

**Evaluation
Criteria**

The table below is a scoring rubric to evaluate proposals received in response to the RFP. The responses will be scored on a zero to 80-point scale, excluding the interview. The proposer must receive a minimum of 75% (60 points) of the total possible points to proceed to the interview process. The maximum points available, including the interview, is 100 points for non-dispensary applicants and 104 points for dispensary applicants.

1. Statement of Qualifications describing the company's experience, abilities, knowledge, and overall qualifications to run the type of cannabis business for which it is seeking a		25
Has proposer provided a detailed description of the company's experience in operating the same or similar type business?	6	
Has proposer provided information that demonstrates the means and skills for operating the proposed business?	6	
Has proposer demonstrated via factual information, practical and theoretical experience and the knowledge to run the proposed business?	6	
Has the proposer demonstrated that it has the overall qualifications and breadth of knowledge for running the proposed business?	7	
2. Verifiable detailed description of persons and type of resources, including financial resources, committed to implement the proposal		20
Has the proposer provided resumes/CVs and other relevant materials, such as authored reports, for and about primary and significant persons that will be responsible for implementing key portions of the proposed business?	6	
Has proposer submitted a financial statement, balance sheet, and tax returns that attest to its financial health and ability to finance and operate the proposed business?	6	
Has proposer committed to initial investment amounts and shown how it will reinvest in the business over time?	4	
Does the proposer show that it is investing in equipment, technology and facilities that are appropriate for the nature of the business?	4	
3. Description of company's understanding of, and approach to, running the cannabis business		15
Has the proposer provided a full description of the proposed business, including proposed staffing levels, products, product types, testing protocols, licensing requirements, etc., demonstrating how it will operate its business?	5	

Has the proposer described what methods and means it will take to ensure that the business is integrated into the community?	5	
Has the proposer adequately described its overall approach to operational safety as it relates to employees, customers, businesses, and the community?	5	
4. Local hire (optional)		5
If a local hire program is proposed, does it contain a viable local hire recruitment plan, including outreach methods?	2	
If a local hire program is proposed, does it estimate the number of potential local employees in the first through fifth years?	1	
If a local hire program is proposed, does it describe job pathways for its employees, allowing them to be promoted within the company, such as pay for employee(s) tuition or substantially reduce the cost of tuition, etc.?	2	
5. Local ownership program (optional)		5
Is more than 50% of the business owned by a three-year Alameda resident(s) and/or business owner(s)?	3	
Is more than 75% of the business owned by a three-year Alameda resident(s) and/or business owner(s)?	1	
Is 100% of the business owned by a three-year Alameda resident(s) and/or business owner(s)?	1	
6. Community benefits (optional)		5
Does the proposer have prior involvement in community/non-profit organizations in the City of Alameda, Alameda County and/or their community? Describe.	5	
7. Proposed schedule		5
Does the schedule clearly provide realistic milestones for the following items? a. Design review, if applicable b. Signage approval, if applicable c. Issuance of State license(s) d. Issuance of CBOP/Land Use permit e. Issuance of Building permit f. Issuance of other regulatory permits (e.g., EBMUD discharge permit, etc.) g. Completion of construction h. Opening and commencement of operations	3	
Does the schedule provide a detailed, comprehensive timeline for starting operations of the business?	2	
Total		80

Attachment 3

(Letters of Intent Exemplar)

April 22, 2019

City of Alameda
City Hall West
950 West Mall Square, Room
Alameda, CA 94501
Attn: Lois Butler, Economic Development Manager

RE: Letter of Intent—Cannabis Request for Proposals Process

Dear Ms. Butler:

I, the undersigned, attest that I am a duly authorized representative of (name of company), which is identified below:

Name of Business (Applicant): _____
Business Address of Applicant: _____
Address of Proposed Location: _____
Assessor's Parcel Number: _____

I understand that I will be expected to receive all notices at the Business Address of the Applicant. I further consent to receiving notice by email at: _____

I am interested in applying for the (name of permit—provide one permit per letter) cannabis permit. Further, I have secured for this business a proposed location at (address) outside of the buffer zones designated by the Alameda City Council. Please find enclosed (state what is enclosed, e.g., a letter of intent to sign a lease, a lease, a purchase option, a purchase agreement, or evidence of ownership of the place where business will be located; a letter of interest is not acceptable) evidencing that I have secured a proposed site for the minimum requirement of two years.

I have also arranged for payment of the filing fee of \$900 deposit (see enclosed receipt). If I am approved to submit an application for a Cannabis Business Operator's Permit (CBOP), I will apply for this permit within 120 days of the receipt of the letter of authorization from the City of Alameda Community Development Department. I understand that failure to apply for the CBOP within that time period automatically forfeits my opportunity to apply.

I further understand that failing to meet any applicable the requirements of local law, including the Implementing Regulation No. 19-01 or the RFP may lead to revocation of any award letter.

Sincerely,

Name

Title

Enclosures:

1. (e.g., a letter of intent to sign a lease, a lease, a purchase option, a purchase agreement, or evidence of ownership of the place where business will be located)
2. City of Alameda receipt for filing fee deposit

Attachment 4

(Cannabis Regulations, as amended)

ARTICLE XVI. - CANNABIS BUSINESSES

6-59.1 - Findings.

In enacting this section, the City Council finds as follows:

- a. The Federal Controlled Substances Act (21 U.S.C. Section 841 et seq.) makes it unlawful to manufacture, distribute, dispense or possess cannabis, and accordingly, cannabis activities are illegal under federal law.
- b. In 2013, Deputy Attorney General James Cole issued a memorandum updating previous guidance on all federal enforcement activity relating to cannabis in light of state ballot initiatives that decriminalized the substance under state law; specifically, the guidance instructed all federal prosecutors to review each matter on a case-by-case basis to consider, on the one hand, whether such state-enacted laws threaten certain federal enforcement priorities or interests relating to cannabis articulated therein (e.g., preventing distribution of cannabis to minors), and on the other hand, whether a state has enacted and implemented a strong and effective regulatory and enforcement system and has demonstrated the willingness to enforce its laws and regulations, which may allay the threat to those federal enforcement priorities or interests.
- c. In 2014, Congress first passed legislation (Rohrabacher-Farr Amendment) to defund enforcement of the Federal Controlled Substances Act in states where such enforcement activities would prevent states from implementing their own state laws that authorize the use, distribution, possession or cultivation of medical cannabis.
- d. The voters of the State of California approved Proposition 215 (codified as Health and Safety Code Section 11362.5 et seq., "The Compassionate Use Act of 1996"); the intent of Proposition 215 was to enable persons who are in need of cannabis for medical purposes to obtain and use it without fear of State criminal prosecution.
- e. On October 9, 2015, Governor Jerry Brown approved a series of bills commonly referred to as the Medical Marijuana Regulation and Safety Act ("MCRSA"), effective on January 1, 2016, which establishes a comprehensive State licensing and regulatory framework for the cultivation, manufacture, transportation, storage, distribution, and sale of medical cannabis, also known as marijuana; and which recognizes the authority of local jurisdictions to either impose additional restrictions or prohibit certain activities related to the cultivation, manufacture, transportation, storage, distribution, delivery, and sale of medical cannabis.
- f. The voters of the State of California approved Proposition 64, known as the "Control, Regulate and Tax Adult Use of Marijuana Act" ("AUMA"), which establishes a comprehensive State licensing and regulatory framework for the cultivation, manufacture, transportation, storage, testing, distribution, delivery, and sale of recreational cannabis, also known as marijuana; and which recognizes the authority of local jurisdictions to either impose additional restrictions or prohibit certain activities related to the cultivation, manufacture, transportation, storage, testing, distribution, delivery, and sale of recreational cannabis.

- g. On June 27, 2017, Governor Jerry Brown signed Senate Bill 94 (Medicinal and Adult-Use Cannabis Regulation and Safety Act, or "MAUCRSA"), which repealed MMRSA and merged many of its provisions into AUMA to form a single comprehensive regulatory system with the express purpose of preventing cannabis access to minors, protecting public safety, public health, and the environment, maintaining local control while providing for a single regulatory-licensing structure for medicinal and adult-use cannabis where compliance with local requirements can be demonstrated.
- h. MAUCRSA preserves local control by specifically authorizing local jurisdictions to adopt and enforce local ordinances to regulate cannabis businesses such as requiring a local license, permit, or other authorization to engage in commercial cannabis activity within the local jurisdiction, in addition to adopting and enforcing local ordinances governing zoning, land use, fire, and building, business licensure, second-hand smoke, and even enacting a complete prohibition on the establishment or operation of one or more types of business licenses issued by the State.
- i. Under MAUCRSA, as early as January 1, 2018, the State of California (currently, the California Bureau of Cannabis Control) will issue licenses for businesses to engage in cultivation, manufacturing, testing, distribution, and retail sale of cannabis and cannabis products.
- j. The City Council of the City of Alameda has recognized, and continues to recognize, the potential adverse impacts on the health, safety, and welfare of its residents and businesses from secondary effects associated with commercial cannabis activity, which may include offensive odors, trespassing, theft, violent encounters between cultivators and persons attempting to steal plants, fire hazards, increased crime in and about the dispensary, robberies of customers, negative impacts on nearby businesses, nuisance problems, and increased DUI incidents.
- k. MAUCRSA sets forth a comprehensive regulatory framework for cannabis and cannabis products from seed to ingestion by a consumer, which includes uniform health and safety standards designed to implement quality control, a labeling and a track-and-trace program, and other consumer protections, which mitigates against some of the potential adverse impacts identified by the City Council in the past.
- l. An effective regulatory system governing cannabis in the City of Alameda, as provided in this and other chapters, will address potential adverse impacts to the public health, welfare, and safety, thereby allowing commercial cannabis activity and other use of cannabis and cannabis products consistent with federal law as applicable to the State of California and State law.
- m. After studying various alternatives for the regulation of cannabis businesses, considering input from residents and stakeholders, and holding several public meetings the City Council of the City of Alameda finds and determines that there is a need to adopt health, safety, and welfare regulations to avoid or mitigate any adverse impacts on the community which may arise from permitting and regulating commercial cannabis activity within the City of Alameda.

6-59.2 - Purpose and Intent.

It is the purpose and intent of this article for the City Council to:

- a. Exercise its police powers derived from Section 7 of Article XI of the California Constitution and state law to promote the health, safety, and general welfare of the residents and businesses of the City of Alameda by regulating cannabis within the City's jurisdictional limits, unless preempted by federal or state law.
- b. Establish a local permitting system that complements the strong and effective regulatory system adopted by the State legislature under MAUCRSA by imposing additional local controls, while addressing certain federal enforcement priorities, in a manner that does not create a positive conflict with federal law under the Controlled Substances Act (21 U.S.C. § 903).

6-59.3 - Definitions.

As used in this section, the following definitions shall apply:

AUMA refers to the California state law entitled "Control, Regulate and Tax Adult Use of Marijuana Act of 2016", also known as Proposition 64, and any regulations promulgated thereunder.

Cannabis means any and all parts of the plant *cannabis sativa linnaeus*, *cannabis indica*, or *cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from *cannabis*. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this section, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.

Cannabis business means a business or enterprise, whether for profit or not, engaged in commercial cannabis activity.

"Cannabis Business Owner" means "Owner," as defined in State law, including by regulation, in addition to any of the following:

1. Each person with an aggregate ownership interest of 20 percent or more in a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee, unless the interest is solely a security interest, lien, or encumbrance. When an entity (not a natural person) has an aggregate ownership interest of 20 percent or more, then the chief executive officer and/or members of the board of directors of each entity shall be considered owners.
2. The chief executive officer of a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee.
3. A member of the board of directors of a nonprofit of a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee.
4. The trustee(s) and all persons that have control of the trust and/or a person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee that is held in trust.

5. Any person, as defined herein, who assumes responsibility for the Permit.
6. Each person who participates in the direction, control, or management of person, as defined herein, who applies for a Permit or is a Cannabis Business Permittee. Such an individual includes any of the following:
 - i. A general partner of a partnership.
 - ii. A non-member manager or managing member of a limited liability company.
 - iii. An officer or director of a corporation.

Cannabis product means cannabis that has undergone a process whereby the cannabis has been transformed into a concentrate, or any Cannabis-containing product that may be specified by regulation of the Department, as set forth below, including, but not limited to, concentrated cannabis, or an edible, topical, or other Cannabis-containing product.

Chief of Police shall mean the Chief of Police of the City of Alameda Police Department or the Chief's designee.

Commercial cannabis activity includes the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, research and development, delivery, sale, or provision of cannabis or cannabis products for commercial purposes, whether for profit or not.

Concentrated cannabis means the separated resin, whether crude or purified, obtained from cannabis.

Customer means a natural person twenty-one (21) years of age or over or a natural person eighteen (18) years of age or older who possesses a physician's recommendation or other authorization permitted by State law.

Cultivation means the production of clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis to mature plants. Except as provided for in the preceding sentence, it shall not include any activity involving the planting, growing, harvesting, drying, curing, grading, trimming, or processing of cannabis, which is prohibited.

Day care center means any licensed child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school-age child care centers.

Delivery means the commercial transfer of cannabis or cannabis products, for profit or not, to a customer by any means. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products. Delivery, however, shall not include commercial transfer of cannabis or cannabis products, for profit or not, by means of a self-service display, which is strictly prohibited.

Department shall mean the Director of the Planning, Building and Transportation Department of the City of Alameda (or successor agency, department, or division), or his or her designee.

Dispensary/delivery shall mean a "dispensary/retailer" permittee that must offer a cannabis delivery service to the public from the licensed premises.

Dispensary/retailer means any person who offers for sale, or gives away samples of, cannabis, cannabis products, or paraphernalia related to the use or ingestion of cannabis or cannabis products, either individually or in any combination for retail sale, including an establishment that delivers cannabis or cannabis products, as part of selling or giving samples away. A dispensary/retailer shall have a licensed premises which is a physical location from which commercial cannabis activities are conducted. Dispensing or retailing shall not include commercial transfer of cannabis or cannabis products, for profit or not, by means of a self-service display, which is strictly prohibited.

Distribution means the procurement, sale, and transport of cannabis or cannabis products between entities licensed pursuant to the Medicinal and Adult-Use of Cannabis Regulation and Safety Act and any subsequent State of California legislation or regulation regarding the same.

Edible cannabis product means a cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

Manufacturer means a person that conducts the production, preparation, propagation, or compounding of manufactured cannabis, or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container, that holds a valid State license pursuant to the Medicinal and Adult-Use of Cannabis Regulation and Safety Act.

MAUCRSA refers to the California state law entitled the Medicinal and Adult-Use Cannabis Regulation and Safety Act and the regulations promulgated by thereunder.

Medicinal cannabis or *medicinal cannabis product* means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation or other authorization permitted by State law.

MMRSA refers to the California state law entitled Medicinal Marijuana Regulation and Safety Act and regulations promulgated thereunder, approved by the Legislature and signed by Governor Jerry Brown in 2016.

Nursery means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, propagation and cultivation of Cannabis.

Permit refers to any one of the regulatory permits described in subsection c. of Section 6-59.4 of this article that affords the permittee the privilege of conducting the activity allowed under the regulatory permit.

Permittee refers to any person who has been issued, is named on, or operates under a permit, regardless of whether or not the permit has been voluntarily surrendered or relinquished.

Person shall mean and include a natural person, joint venture, joint stock company, partnership, association, club, company, corporation, limited liability company, business, estate, trust, business trust, receiver, syndicate, organization, or any other group or combination acting as a unit, or the manager, lessee, agent, servant, officer or employee of any of them.

Primary caregiver shall have the same meaning as set forth in Section 11362.5 of the California Health and Safety Code, as that section now appears, or may hereafter be amended or renumbered.

Qualified patient shall have the same meaning as a patient that uses or ingests medicinal cannabis as that term is defined in Section 11362.7 of the California Health and Safety Code and who is entitled to the protections of California Health and Safety Code Section 11362.5.

Self-service display means the open display or storage of cannabis or cannabis products in a manner that is physically accessible in any way to the general public without the assistance of the retailer or employee of the retailer involving a direct person-to-person transfer between the purchaser and the retailer or employee of the retailer. A vending machine is a form of self-service display.

Tutoring center means any enterprise, whether or not for profit, that operates in a commercial building or structure the principal use of which is to offer instruction of any kind to support academic instruction of K-12 students.

Youth Centers means any public or private facility that is exclusively used to host recreational or social activities for minors (under 18 years of age), such as, private youth membership organizations or clubs, social service teenage club facilities, or amusement facilities. "Youth Centers" does not include any building, location, or facility where any programs, activities, or services: (a) are offered at private residences, (b) involve martial arts/combat sports, cultural or similar education, or physical fitness, or (c) are offered for fewer than five (5) hours per day each day the building, location, or facility is open. Notwithstanding the foregoing, Youth Centers shall also mean any facility determined by the Alameda Recreation and Parks Department to be a recreation center in a City park.

6-59.4 - Permit Requirement; Exemptions from Permit Requirement.

- a. *Permit Required.* It is unlawful for any person to operate a cannabis business within the City without first being issued the required permits, including without limitation, a regulatory permit under this article and a use permit under Chapter XXX (Development Regulations) of the Alameda Municipal Code. The permit shall not be issued until a use permit is first obtained. The permit issued under this article is specific to the location where the cannabis business is permitted to operate, is a conditional privilege to conduct activities set forth in the permit, and shall not run with the land. Multiple operating locations for the same cannabis business will require separate permits. No permit shall be issued for commercial transfer, for profit or not, of cannabis or cannabis products by means of a self-service display, which is strictly

prohibited. Temporary permits for any purpose, including for the sale of cannabis or cannabis products at festivals or fairs, shall not be issued.

b. *Number of Cannabis Business Permits Allowed.* Only the following permit types shall be capped as set forth below:

1. No more than two (2) Dispensary/Retailer Permit(s) and two (2) dispensary/delivery permit(s) for cannabis or cannabis product may be issued at any given time, subject to the applicable permit types, over-concentration requirement, and zoning restrictions.
2. No more than four (4) Manufacturer Permit(s), subject to the applicable permit types and the zoning restrictions, may be issued at any given time.
3. No more than one (1) Cultivation Permit, subject to the applicable permit types and the zoning restrictions, may be issued at any given time.
4. The City Council may, by resolution, direct the City Manager to establish or modify any of the foregoing limits on the number of permit types that may be issued within the City. Furthermore, a process for allocating the limited number of permits for commercial cannabis activity may be implemented by regulation.

c. *Permit Types.* Any person may apply for any of the following:

1. Cultivation Permit 7: A Cultivation Permit 7 is required for all activities for which State law requires a "Type 4" (or "nursery") for cultivation of cannabis solely by a nursery.
2. Manufacturer Permit 1: A Manufacturer Permit 1 is required for all activities for which State law requires a "Type 6," or similar license, for the manufacture of cannabis products using nonvolatile or no solvents.
3. Manufacturer Permit 2: A Manufacturer Permit 2 is required for all activities for which State law requires a "Type 7," or similar license, for the manufacture of cannabis products using volatile solvents.
4. Testing Laboratory Permit: A Testing Laboratory Permit is required for all activities for which State law requires a "Type 8," or similar license, for the testing of cannabis or cannabis products as a condition of sale pursuant to a State-issued license.
5. Dispensary/Retailer Permit: A Dispensary/Retailer Permit is required for all activities for which State law requires a "Type 10," or similar license, for the sale of cannabis or cannabis products.
6. Dispensary/Delivery Permit: A Dispensary/Delivery Permit is required for all activities for which State law requires a "Type 10," or similar license, for the sale of cannabis or cannabis products, but which must provide a cannabis delivery service to the public from the licensed premise.
7. Distributor Permit: A Distributor Permit is required for all activities for which State law requires a "Type 11," or similar license, for the distribution of cannabis or cannabis products. A Distributor Permit shall only be issued to a person holding or obtaining a Manufacturing Permit or Cultivation Permit 7 under this article.

8. Delivery Permit: No local permit is required for the delivery of cannabis by cannabis businesses located outside of the City to any customer located within the City, provided that such businesses obtain a business license, pay applicable fees and taxes, and comply with State and local law.
- d. *Determination of Permit Type.* As the State develops additional licenses for Commercial Cannabis Activities, the Department has the discretion to issue any of the above-referenced permits to the extent the additional license or sub-license activities are similar to that of any of the permits provided for in this article.
- e. *Permitted Land Use.* No permit shall be issued if the commercial cannabis activity is not a permitted land use in the City, as set forth in Section 30-10 (Cannabis) of Chapter XXX of the Alameda Municipal Code. If not expressly provided for therein or in this article, then the use is banned.
- f. *Exemptions from the Permit Requirement.* The following activities are allowed and do not require a permit under this article, provided the activity does not constitute commercial cannabis activity and complies with applicable laws:
 1. Possessing, processing, transporting, purchasing, obtaining or giving away to persons twenty-one (21) years of age or older without any compensation whatsoever, not more than 28.5 grams of cannabis not in the form of concentrated cannabis.
 2. Possessing, processing, transporting, purchasing, obtaining or giving away to persons twenty-one (21) years of age or older without any compensation whatsoever, not more than the limit on cannabis in the form of concentrated cannabis under State law, including amounts of cannabis or concentrated cannabis contained in cannabis products.
 3. Possessing, planting, cultivating, harvesting, drying or processing of not more than six living cannabis plants, provided such activity complies with the Alameda Municipal Code, pursuant to section 30-10.2 (Personal Cultivation of Cannabis), and is not used in any commercial cannabis activity, which would require a permit.
 4. The smoking of cannabis and cannabis products, provided smoking complies with State law and any local ordinance, including Sections 24-11 (Smoking Prohibitions in Places of Employment and Unenclosed Public Places) and 24-12 (Smoking Prohibitions in Housing) of Chapter XXIV (Public Health) of the Alameda Municipal Code.
 5. The ingestion of cannabis or cannabis products in compliance with applicable law.
 6. Primary caregiver, who is not subject to licensing requirements of the MAUCRSA, engaged in the delivery of cannabis or cannabis product to a qualified patient.
- g. Excepted as provided herein, all other commercial cannabis activities are prohibited.

6-59.5 - Permit Applications.

All applications, including renewal or amended applications, must be completed in full, including the payment of all applicable fees, which shall be set by the Council by resolution. Incompleteness may be grounds for denial as set forth in Section 6-59.6 of this article. The form and content of the application for (renewal of) a permit as required by this article shall be specified by the Department, in consultation with the Chief of Police, and shall include the following minimum information, as applicable to the permit type:

a. *Proposed Property.*

1. The address and Assessor's Parcel Number(s) of the location for the proposed commercial cannabis activity; and the name and contact information for the property owner(s) where the proposed commercial cannabis activity will be located.
2. A site plan with fully dimensioned interior and exterior floor plans. For dispensary/retailer permittees, the site plan must show that there are separate rooms or partitioned areas within the property for the receipt of supplies and for the distribution of cannabis to recreational users, qualified patients, and/or primary caregivers.
3. Exterior photographs of the entrance(s), exit(s), street frontage(s), parking, front, rear and side(s) of the property.
4. Photographs depicting the entire existing interior of buildings on the property.
5. If the property is being rented or leased or is being purchased under contract, a fully-executed copy of such lease or contract.
6. If the site is being rented or leased, written proof in a form approved by the Department that the property owner, and landlord if applicable, were given notice that the property will be used as a cannabis business, and that the property owner, and landlord if applicable, agree(s) to said operations. If the cannabis business is to be a subtenant, then "landlord" shall mean the primary tenant. If the applicant is the owner of the real property, then the applicant shall provide a copy of the title or deed to the real property to the Department. If the real property is owned in trust, the written proof noted above shall be provided by the person that holds equitable title to the real property.
7. Once a permit is issued, any material or substantial physical modification of the licensed or permitted premises shall require a City-approved amendment to the permit as set forth in Section 6-59.9 of this article.

b. *Ownership and Management.* An explanation of the legal form of business ownership, for example, sole proprietor, partnership, California Corporation, etc., and any reasonably requested documentation to validate such legal form of business.

c. *Background Investigation of Owners.* Each applicant shall identify every cannabis business owner (at least one (1) person shall be identified per permit) and shall submit the following for each cannabis business owner:

1. The name, address, telephone number, title, and primary responsibility(ies).

2. A fully legible copy of one (1) valid government-issued form of identification, such as a driver's license.
 3. A summary of criminal history (e.g., "LiveScan") not more than two (2) weeks prior to the date of the application for the purpose of obtaining information as to the existence and content of a record of state or federal convictions and arrests to be considered as set forth in this article.
 4. Any new cannabis business owner must submit the foregoing information to the Chief of Police five (5) days prior to their employment or becoming a cannabis business owner.
 5. The Chief of Police shall have the discretion to require any information necessary to conduct a thorough criminal history or financial investigation (or any additional or supplemental background investigation that is criminal history or financial in nature), including the foregoing, from any cannabis business owner for the purpose of preventing a threat to public health, safety, and welfare or otherwise to protect the interests set forth below in Section 6-59.6 of this article.
- d. *Information Regarding Cannabis Business/Applicant.*
1. Written confirmation as to whether the cannabis business, or a business engaged in commercial cannabis activity with one (1) or more owners or key employees in common with the applicant, previously operated in the City or any other city, county, or state under a similar license/permit, and whether the business applicant ever had such a license/permit revoked or suspended and the reason(s) therefore.
 2. The name and address of the cannabis business' current agent for service of process. Cannabis business permittee has a continuing duty to update this information. Sending notices and other documents to the agent for service of process on file with the City, even if outdated, shall not render such service defective.
- e. *State License Type and Compliance.* A description of the specific state cannabis license(s) that the applicant either has applied for, obtained, or plans to obtain. The applicant shall describe how it will meet the state licensing requirements, and provide supporting documentation as required by the Department.
- f. *Other Local Licenses.* A description of the specific cannabis license or permits that the applicant either has applied for, obtained, or plans to obtain from other local jurisdictions.
- g. *Seller's Permit.* A copy of a valid seller's permit from the California Board of Equalization, Department of Tax and Fee Administration, or successor agency.
- h. *Description of Operations.* A description of the nature of the proposed commercial cannabis activity within the proposed facilities, proposed hours of operation, product type, average production amounts (including each product produced by type, amount, process, and rate), source(s) of cannabis, equipment, and delivery or distribution services.

- i. *Security Plan.* A description and documentation of how the applicant will secure the premises twenty-four (24) hours per day, seven (7) days per week. The security plan shall comply with general conditions set forth in subsection p. of Section 6-59.10 of this article.
- j. *Tracking System.* A description of how the cannabis business will track inventory of cannabis or cannabis products from seed to sale in accordance with State law.
- k. *Plan for Unsold Cannabis or Waste.* A plan for the disposal of any unsold cannabis, cannabis product, or related waste as set forth below in subsection w. of Section 6-59.10 of this article.
- l. *Insurance.* Certificate of insurance demonstrating ability to comply with the insurance requirements as required for the applicable permit in a form acceptable to the City Attorney's Office set forth in subsections bb. and dd. of Section 6-59.10 of this article.
- m. *Labor Peace Agreement.* For an applicant with ten (10) or more employees, the applicant must provide either a statement that the applicant will enter into and will abide by the terms of the agreement, or provide a copy of a fully executed labor peace agreement as part of the application. Once a labor peace agreement is fully executed, the permittee shall provide the City with a copy of the page of the labor peace agreement that contains the requisite signatures.
- n. *Compliance Statement.* A copy of the cannabis business's operating conditions, containing a statement dated and signed by each cannabis business owner, under penalty of perjury, that they have read, understand and shall ensure compliance with all operating conditions.
- o. *Signature of Applicant and Property Owner.* The application shall be signed by each cannabis business owner under the penalty of perjury, certifying that the information submitted, including all supporting documents, is to the best of the applicant's knowledge and belief, true, accurate and complete, and by the property owner for purposes of certifying that s/he has reviewed the application, and approves the use of the property for the purposes stated in the application.
- p. *Confidentiality.* The information required by this section shall be confidential, and shall not be subject to public inspection or disclosure except as may be required by federal, state or local law. Disclosure of information pursuant to this section shall not be deemed a waiver of confidentiality by the applicant or any individual named in the application. The City shall incur no liability for the inadvertent or negligent disclosure of such information.
- q. *Other Information.* Any other reasonably requested information relevant to the City's review and approval of any permit application, including denials, transfers, change of ownership, modifications, renewals, revocations, and suspensions, or the administration or enforcement of the Alameda Municipal Code governing Cannabis or any Commercial Cannabis Activity.
- r. *False Statements/Representations.* It is unlawful to make any false statement or representation or to use or submit any false or fraudulent documentation in any application or materials submitted to the City for the purpose of evaluating or approving any permits, authorizations, or entitlements to operate or in connection with

a local investigation into a person who applies for a permit or a Cannabis Business in the City.

6-59.6 - Review of Applications; Appeal of Denials and Suspensions.

- a. *Review of Application.* The Department shall review each application to determine compliance with this article. Upon written notice that an application is incomplete, the applicant may submit additional information as requested by the Department. Failure to submit requested information within sixty (60) days shall be deemed an abandonment of the application and no further action will be taken by the Department. The Department shall also consider the application in light of the results from any investigation into the application as deemed necessary by the Department, in consultation with the Chief of Police.
- b. *Withdrawal of Application.*
 1. An applicant may withdraw an application at any time prior to the City's issuance of a license or denial of a license.
 2. Requests to withdraw an application must be submitted to the City in writing, dated, and signed by the applicant.
 3. Withdrawal of an application shall not, unless the City has consented in writing to such withdrawal, deprive the City of its authority to institute or continue a proceeding against the applicant for the denial of the license upon any ground provided by law or to enter an order denying the license upon any such ground.
 4. The City will not refund application fees for a withdrawn application.
 5. An applicant may reapply at any time following the withdrawal of an application and will be required to submit a new application and fee.
- c. *Denial of Application.* If the Department denies an application, the applicant shall be notified in writing, which shall include the reasons for the denial. Notification of denial shall be delivered by first class mail to the applicant, unless the applicant consents to a different mode of service, including without limitation, electronic service. No permit shall be issued unless a successful appeal of the denial is made within the requisite time frame.
- d. *Appeal of Denial.*
 1. Within ten (10) days after the Department serves notification of denial, an applicant may appeal the denial by notifying the City Clerk in writing of the appeal, the reasons for the appeal, and paying any applicable fees.
 2. The City Clerk shall set a hearing on the appeal and shall fix a date and time certain, within thirty (30) days after the receipt of the applicant's appeal, unless the City and the applicant agree to a longer time, to consider the appeal. The City Clerk shall provide notice of the date, time and place of hearing, at least seven (7) days prior to the date of the hearing.
 3. The City Manager shall randomly assign a Hearing Officer to hear the appeal, determine the order of procedure, and rule on all objections to admissibility of

evidence. The applicant and the Department shall each have the right to submit documents, call and examine witnesses, cross-examine witnesses and argue their respective positions. The proceeding shall be informal, and the strict rules of evidence shall not apply, and all evidence shall be admissible which is of the kind that reasonably prudent persons rely upon in making decisions.

4. The Hearing Officer shall issue a written decision within a reasonable amount of time after the close of the hearing. The decision of the Hearing Officer shall be final.
- e. *Grounds for Denial, Revocation or Suspension of Permit.* The granting of a permit or a renewal thereof may be denied and an existing permit revoked or suspended if any of the following conditions exist:
1. The permittee, or any employee, independent contractor, volunteer, or other agent having actual or apparent authority to act on behalf of a cannabis business, has knowingly made a false statement, omission, or negligent failure to notify the City of information required by this article in the application or in other documents furnished to the City.
 2. A cannabis business owner has been convicted of an offense that is substantially related to the qualifications, functions, or duties of a cannabis business owner for which the application is made, which includes but is not limited to:
 - i. A violent felony conviction, as specified in Penal Code Section 667.5(c).
 - ii. A serious felony conviction, as specified in Penal Code Section 1192.7.
 - iii. A felony conviction involving fraud, deceit or embezzlement.
 - iv. A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.
 - v. A felony conviction for drug trafficking with an enhancement pursuant to Health and Safety Code Section 11370.4 or 11379.8.
 - vi. Except as provided in subsections iv. and v. above, an application for a permit shall not be denied if the sole ground for denial is based upon a prior conviction of either Section 11350 or Section 11357 of the California Health and Safety Code. An application for a permit also shall not be denied if the State would be prohibited from denying a license pursuant to either Section 26057(b)(5) or Section 26059 of the California Business and Professions Code.
 3. Conviction of any controlled substance felony subsequent to permit issuance shall be grounds for revocation of a permit or denial of the renewal of a permit.
 4. The permittee has been sanctioned by any licensing or permitting authority, including any enforcement action taken by any other city or county, for unauthorized commercial cannabis activity, including without limitation, denial,

suspension, or revocation of a business license, operating permit, land use entitlement, or similar privilege to conduct commercial cannabis activity.

5. The granting or renewing of the permit would perpetuate or encourage any of the following:
 - i. Distribution of cannabis or cannabis products to minors;
 - ii. Generation of revenue from the sale of cannabis or cannabis products to fund criminal enterprises, gangs, or cartels;
 - iii. Diversion of cannabis or cannabis products to jurisdictions outside of the State where cannabis and cannabis products are unlawful under state or local law;
 - iv. Trafficking of other illegal drugs or facilitation of other illegal activity;
 - v. Violence and the use of firearms in the cultivation and distribution of cannabis and cannabis products;
 - vi. Drugged driving or exacerbation of other adverse public health consequences associated with cannabis;
 - vii. The use of public lands in the cultivation of cannabis; or
 - viii. The use of federal property for commercial cannabis activity.
 6. For any other reason that would allow the State to deny a license under the MAUCRSA.
 7. Failure to pay required fees, taxes, or other monies owed to the City outside of the 30-day grace period.
 8. Violation of any provision of the AUMA or MAUCRSA, this article, or any other permits issued by the City for the commercial cannabis activity, such as a use permit.
 9. Any later discovered act or conduct which would have been considered a ground for denial of the permit in the first instance.
 10. Failure to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, criminal activity, crowd control problems occurring inside of or outside the premises, traffic control problems, creation (or assist in the creation) of a public or private nuisance, or obstruction of the operation of another business.
 11. Violation or failure to comply with the terms and conditions of the permit.
 12. The application is speculative, made by a third party with no immediate plans for commencing operations, or is incomplete and not cured within sixty (60) days after written notification of the deficiency was mailed.
- f. *Suspension and Revocation.*
1. *Summary Suspension.* If the Chief of Police or the Department deems continuation of the operation of the cannabis business by the permittee, or any employee, independent contractor, volunteer, or other agent of a cannabis

business owner having actual or apparent authority to operate the cannabis business, will cause an imminent threat to the health, safety or welfare of the public, the Chief of Police or the Department may immediately and summarily suspend the permit and all rights and privileges thereunder for a period not to exceed thirty (30) days.

- i. The summary suspension shall take effect immediately upon service of a written notice of suspension by the Chief of Police or the Department upon the permittee via personal delivery to any employee at the site address of the cannabis business. Notice given shall include the following information:
 - a) The effective date and time period of the summary suspension;
 - b) The grounds and reasons upon which the summary suspension is based;
 - c) That the permittee who wishes to challenge the summary suspension may request a hearing before a Hearing Officer;
 - d) The method for requesting a hearing before the Hearing Officer; and
 - e) The notice of summary suspension shall become final unless the Chief of Police or the Department receives a written request for a hearing from the permittee as set forth below.
 - ii. If the permittee wishes to challenge the summary suspension, the permittee must file a written request with the Chief of Police or the Department for a hearing within three (3) business days after service of the notice of summary suspension. If the Chief of Police or the Department does not receive a request for a hearing from the permittee within this time period, the notice of summary suspension shall become final.
 - iii. The Chief of Police or the Department must respond to the permittee's request for a hearing by holding a hearing to affirm, modify, or overrule the summary suspension within five (5) business days of the permittee's request for a hearing, unless the City and the permittee agree to an extension of the time within which a hearing can be held.
 - iv. The Chief of Police or the Department may recommend permanent revocation as set forth below on the basis of facts supporting summary suspension.
2. *Permanent Revocation.* The Chief of Police or the Department shall give notice to the permittee of his or her intent to permanently revoke a permit in the same manner as notice of denial and provide the City Clerk with a copy of the notice.
 - i. The hearing for the revocation of the permit shall be set and conducted in the same manner as an appeal of denial.
 - ii. The decision of the Hearing Officer shall be final.

- a. Before issuing any permit, the Department shall determine that all of the following requirements have been met:
 1. The application is complete and all applicable City taxes, fees, or monies owed have been paid.
 2. The use permit has been approved or other land use requirements have been met, and all conditions of approval have been met or in good standing.
 3. There are no outstanding notices of nuisance or other unresolved code compliance issue at the site of the commercial cannabis activity.

6-59.8 - Permit Term.

- a. *Term.* The permit shall be valid for one (1) year from the date of issuance. Once a permit expires, it shall terminate and there is no grace period.
- b. *Renewal Application.* A permit renewal application and any applicable fees must be submitted at least sixty (60) days before the expiration of the permit. Failure to submit a renewal application prior to the expiration date of the permit will result in the automatic expiration of the permit on the expiration date. Permit renewal is subject to the laws and regulations effective at the time of renewal, which may be substantially different than the regulations currently in place and may require the submittal of additional information to ensure that the new standards are met. No person shall have any entitlement or vested right to receive a permit under this article. A permittee may appeal expiration of a permit as described in this section in the same manner as appealing a denial in subsection c. (Appeal of Denial) of Section 6-59.6 above.

6-59.9 - Transfer of or Modifications to the Permit.

- a. *City Approval Required.* A permit is non-transferable to another location. No transfer to another person or modifications to the permit, including changes to the permitted facility, may be made except in accordance this section.
- b. *Change of Ownership.* A change in ownership constitutes a transfer of or modification to the permit and as such shall require an application. A request for change in permit ownership shall be submitted to the Department, in accordance with subsection f. below. Requests submitted less than sixty (60) days before the transfer will be processed only at the City's discretion and may be subject to an expedited processing fee. A new cannabis business owner(s) shall meet all requirements for applicants of an initial permit. The request shall include the following information:
 1. Identifying information for the new cannabis business owner(s) and management as required in an initial permit application;
 2. A written certification by the new cannabis business owner as required in an initial permit application;
 3. The specific date on which the transfer is to occur; and
 4. Acknowledgement of full responsibility for complying with the existing permit.

- c. *Change in Security Plan.* A request to modify the security plan shall be submitted to the Department, with a copy to the Chief of Police, on a City form at least sixty (60) days prior to the anticipated change, together with the applicable fee.
- d. *Change of Contact Information.* A request for change in cannabis Business contact information shall be submitted to the Department, with a copy to the Chief of Police, on a City form at least thirty (30) days prior to the anticipated change, together with the applicable fee.
- e. *Change in Trade Name.* A written request for change in cannabis business trade or business name shall be submitted to the Department, with a copy to the Chief of Police, in a form approved by the Department at least thirty (30) days prior to the anticipated change, together with the applicable fee.
- f. *Application.* A permit transfer or modification application and any applicable fees must be submitted at least sixty (60) days before the transfer or modification of the permit. Failure to timely submit a transfer or modification application will result in the automatic expiration of the permit. Permit renewal is subject to the laws and regulations effective at the time of renewal, which may be substantially different than the regulations currently in place and may require the submittal of additional information to ensure that the new standards are met. No person shall have any entitlement or vested right to receive a permit under this article.

6-59.10 - General Conditions for All Cannabis Businesses.

- a. *Compliance with State and Local Law.* The applicant shall fully comply with all State laws and local laws for Cannabis, including the Alameda Municipal Code and all uncodified resolutions and ordinances adopted by the City Council.
- b. *Compliance with Laws Regarding Edible Cannabis Products.* Cannabis businesses that manufacture, prepare, dispense, and/or sell food, including cannabis-infused foods and/or edible cannabis products, must comply with and are subject to the provisions of all relevant State and local laws and County regulations regarding the preparation, distribution, labeling, and sale of such items.
- c. *Maintain State Licensure.* At such time that the State has begun to issue licenses and at all times thereafter, the permittee shall hold a valid State license for the equivalent State license type. All permittees must maintain their state license and any other applicable licenses and permits required by the State, County, and City, including, for example, an Alameda business license.
- d. *Duty to Notify.* All applicants or permittees have a continuing duty to immediately notify the Department of any proposed or considered change of ownership, changes to an application, or discrepancies between any information provided to the City related to Alameda Municipal Code or other local regulations governing cannabis businesses, and the actual facts, conditions, or circumstances concerning an applicant's or permittee's cannabis business or the proposed or permitted facility. A failure to promptly notify the City may be grounds for denial or revocation. Additionally, all applicants or permittees must notify the City prior to applying for any new permits issued by the State of California.

e. *Operational Radius.*

1. No cannabis business engaging in dispensary/retail or dispensary/delivery shall locate within a 1,000-foot radius of a public or private school providing instruction in kindergarten or any grades 1 through 12. Further, no such cannabis business shall locate within a 600-foot radius of a youth center, tutoring center, or day care center. The distance shall be measured via a path of travel from the nearest door of the nearest foregoing sensitive uses known when the RFP is issued to the nearest door of the dispensary. For purposes of this section, "school" does not include any private school or similar use in which education of any kind is primarily conducted in private homes, churches or similar locations where such instruction is an ancillary use. All other sensitive uses identified in this subsection not defined herein or in this article are defined under the California Child Health Care Act, codified in the California Health and Safety Code.
2. All other cannabis businesses shall not locate within a six hundred (600) foot radius of the same foregoing sensitive uses known when the application is submitted, measured via a path of travel from the nearest door of the nearest foregoing sensitive uses to the nearest door of the cannabis business.

- f. *Over-Concentration.* In addition to the operational radius, noted above, there shall be no more than two (2) cannabis businesses engaging in cannabis retail on either side of Grand Street.
- g. *On-site Use or Consumption.* Notwithstanding Section 24-11 (Smoking Prohibitions in Places of Employment and Unenclosed Public Places) of the Alameda Municipal Code, on-site use or consumption of cannabis or cannabis products is permitted in interior areas on the licensed premises of a dispensary/retail permittee under their control, but shall not occur in parking areas or any other areas that cannot be excluded from public view or access by the permittee. On-site use or consumption is strictly prohibited for any other cannabis business. Pursuant to Section 6-59.16 in this article, the Department shall promulgate guidelines, procedures, and regulations governing on-site consumption of cannabis or cannabis products on the licensed premises of a dispensary/retail permittee.
- h. *Free Samples.* Free samples of cannabis or cannabis product by any cannabis business or permittee is strictly prohibited.
- i. *Local Hire/Local Ownership/Community Benefit.* If applicable, the permittee shall implement their voluntary plan containing feasible options to maximize local hire, local ownership, and community benefit.
- j. *Employee Age Requirement.* Permittees shall employ only persons at least twenty-one (21) years of age at any permitted facility within the City of Alameda.
- k. *On-site Community Relations Staff.* Permittees shall post on the premises for public view the current name, phone number, secondary phone number and e-mail address of an on-site community relations staff person to whom notice of any operating problems associated with the cannabis business site may be reported. This information shall be updated as necessary to keep it current. The On-site Community Relations Staff can be the same individual as the On-site Operations Manager.

- l. *On-site Operations Manager.* Permittees shall have an on-site manager at each permitted facility within the City who is responsible for overall operation at all times that employees are conducting operations, and shall provide the City with contact information for all such persons, including telephone number and email address. Permittees shall also provide the City with the name and contact information including phone number of at least one manager that can be reached twenty-four (24) hours a day. The On-site Community Relations Staff can be the same individual as the On-site Operations Manager.
- m. *Nuisance Abatement.* Permittees shall take all reasonable steps to discourage and correct conditions that constitute a public or private nuisance in parking areas, sidewalks, alleys and areas surrounding a permitted facility. Such conditions include, but are not limited to: Smoking; creating or permitting a noise disturbance or odor issue; loitering; littering; and graffiti. If the City receives any nuisance complaints, the permittee shall work with the Building Official and other relevant City departments, including the Police and Fire departments, to correct and address such concerns. Unresolved or repeated nuisance complaints may be basis for suspension or revocation of the permit or denial of permit renewal. Graffiti must be removed from property and parking lots under the control of the permittee within seventy-two (72) hours of discovery or notification by the City.
- n. *Air Quality, Odor Control, and Ventilation.* All commercial cannabis activity shall be operated so as not to cause offensive odors perceptible to the average person at or beyond any property line of the lot containing the premises where commercial cannabis activity is being conducted. Facilities containing commercial cannabis activity shall be equipped with odor control, filtration, and ventilation system(s) to control odors, humidity, and mold so that odor generated inside the property is not detected outside the property, anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the cannabis business permittee. All components of the commercial cannabis activity shall comply with the requirements of the Bay Area Air Quality Management District. An odor detected no more than fifteen (15) minutes in one (1) day is acceptable.
- o. *Hours of Operation.* All permitted facilities, except the licensed premises of dispensary/retail permittees, shall be closed to the general public. For all permitted facilities any delivery, distribution, or pick-up of a substantial amount of cash, cannabis, or cannabis product shall be prohibited between the hours of 10:00 p.m. and 7:00 a.m. Hours of operation for all permittees may be between the hours of 7:00 a.m. to 9:00 p.m., except that modifications beyond this period can be approved for Manufacturing and Testing Lab Permittees only, as part of their use permit. With the exception of activities authorized pursuant to a Dispensary/Retailer Permit, no direct sales of cannabis or cannabis product to the general public may occur upon the premises.
- p. *Fire Alarm System.* The cannabis business must have a fully-operational fire alarm system approved by the Fire Chief.
- q. *Security Measures.* Consistent with the approved security plan required under Section 6-59.5, all cannabis businesses shall at a minimum provide and maintain the

following security measures and all records or data, regardless of its form, related to such measures:

1. *Operational Security Measures.* The security plan shall address the following to ensure operational security:
 - i. Preventing individuals from remaining on the premises if they are not engaged in an activity expressly related to the operations of the cannabis activity;
 - ii. Establishing limited access areas accessible only to authorized personnel including security measures to both deter and prevent unauthorized entrance into areas containing cannabis or cannabis products and theft or diversion of cannabis or cannabis products;
 - iii. Storing all finished cannabis and cannabis products in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes or immediate sale, if applicable;
 - iv. Providing tamper proof and tamper evident packaging for finished cannabis product;
 - v. Preventing offsite nuisance impacts to adjoining or nearby properties as required by the permit as set forth in subsection l. of Section 6-59.10 of this article; and
 - vi. Securing cash that remains on the premises.
2. *Alarm System.* A commercial burglar alarm system with video surveillance approved by the Chief of Police, which is capable of providing the Police Department with secure, internet-based access to unaltered surveillance footage or data of all controlled access areas, security rooms, points of ingress/egress, all point of sale (POS) areas, and other areas deemed reasonably necessary by the Chief of Police.
3. *Security Guard.* At all times while a cannabis business that is a dispensary/retail permittee is open, it shall provide at least one (1) security guard who is registered with Bureau of Security and Investigative Services, possesses a valid and current security guard registration card on their person while on-duty, and is dressed in a manner approved by the Chief of Police. Security guards are permitted, but not mandated, to carry firearms. The security guard and/or cannabis business personnel shall monitor the site and the immediate vicinity of the site to ensure that patrons immediately leave the site and do not consume cannabis on the property or in the parking lot. The foregoing requirements may be imposed upon other permittees at the discretion of either the Chief of Police or the Department as part of that permittee's security plan, or if required by State law.
4. The Chief of Police shall have the authority to require additional reasonable security measures to further protect the public health, safety, and welfare, and to adopt implementing regulations and departmental guidelines related to all aspects of security measures required of permittees, including specific technical

requirements of security measures, inspections to ensure compliance, and access to records and electronic media. Failure to maintain effective security measures at all times is a violation of this section and cause for permit revocation or suspension. All outdoor lighting used for security purposes shall be shielded and downward facing.

- r. *Security Breach.* A cannabis business shall notify the Police Department within twenty-four (24) hours after discovering any of the following:
 - 1. Diversion, theft, loss, or any criminal activity by the permittee, or any employee, independent contractor, volunteer, or other agent of the permittee, involving the cannabis or cannabis product.
 - 2. The loss or unauthorized alteration of records related to cannabis or cannabis product, registered qualifying patients, primary caregivers, or employees or agents.
 - 3. Significant discrepancies identified in inventory.
 - 4. Any other material breach of security.
- s. *Building and Fire Standards.* The Chief Building Official may require additional specific standards to meet the California Building Code and Fire Code, including but not limited to installation of fire suppression sprinklers.
- t. *Generators.* The use of generators for cultivation is prohibited, except for temporary use in the event of a power outage or emergency.
- u. *Water Usage or Discharge.* The cannabis business must conform to all State and local regulations regarding water usage. Discharges of any kind into a public or private sewage or storm drainage system, watercourse, body of water or into the ground, must be in compliance with provisions of Chapter XVII of the Alameda Municipal Code, the East Bay Municipal Utility District Wastewater Control Ordinance (Ordinance No. 355-11, as amended by subsequent ordinances from time to time), and applicable Federal and State laws and regulations.
- v. *Use of Pesticides.* No pesticides, insecticides or rodenticides that are prohibited by applicable law for fertilization or production of edible produce may be used on any cannabis cultivated, produced, or distributed by a cannabis business. A cannabis business shall comply with all applicable law regarding use of pesticides, insecticides, or rodenticides.
- w. *Separation of Employee Areas.* Employee breakrooms, eating areas, changing facilities, and bathrooms shall be completely separated from the storage areas for cannabis or cannabis products.
- x. *Disposal of Unsold Cannabis, Cannabis Product, or Related Waste.* All unsold cannabis, cannabis product, and related waste that is to be disposed of must be made unusable and unrecognizable prior to removal from the business and must be in compliance with all applicable laws. The purpose of this condition is to protect any portion thereof from being possessed or ingested by any person or animal and to ensure it may not be utilized for unlawful purposes and complies with all state, local, and federal laws.

- y. *Testing.* All cannabis businesses shall cause to be tested all of their cannabis and cannabis products by a licensed testing laboratory for various metrics in accordance with applicable State law and regulations adopted by the California Bureau of Cannabis Control (or successor agency), including without limitation, chemical profiles and contaminants/contaminant thresholds. All cannabis businesses shall maintain a copy of the certificate of analysis or similar documentation on the premises evidencing compliance with State law and regulations regarding testing.
- z. *Labeling and Packages.* Labels and packages of cannabis and cannabis products shall meet all state and federal labeling and packaging requirements. Until such regulations are adopted by the federal and/or state authorities, as a condition of permit issuance, the Department, in consultation with the Chief of Police, may impose labeling and packaging requirements to protect the public safety, health and welfare.
- aa. *Consent to Inspection.* City, including City personnel from Police, Community Development, Public Works, and Fire departments, County, and State representatives may enter and inspect the property of every cannabis business during hours of operation, or at any other reasonable time, to ensure compliance and enforcement of the provisions of this article and the inspection of records related to the business or otherwise required by State law, except that the inspection and copying of private medical records shall be made available to the Police Department only pursuant to a properly executed search warrant, subpoena, or court order. It is unlawful and cause for immediate suspension or revocation of the permit for any property owner, landlord, lessee, cannabis business, and/or its owner, agent, employee to refuse to allow, impede, obstruct or interfere with an inspection.
- bb. *Maintenance of Records.* Records of commercial cannabis activity must be maintained in accordance with State and local law, be maintained in order to show compliance with this article, and be made available to the City upon request. Failure to provide such records is grounds for revocation of any permit. Records maintained must include, but are not limited to the following:
 - 1. All permittees must maintain:
 - i. Proof of a valid use permit issued in conformance with the Alameda Municipal Code.
 - ii. The full name, address, and telephone number(s) of the owner, landlord and/or lessee of the property.
 - iii. The full name, address, and telephone number(s) of each person engaged in the management of the cannabis business and the exact nature of the participation in the management of the cannabis business, and for cultivators, the full name, address, and telephone number(s) of each employee engaged in the cultivation of cannabis at the property.
 - iv. For a minimum of three (3) years, a written accounting or ledger of all cash, receipts, credit card transactions, and reimbursements (including any in-kind contributions) as well as records of all operational expenditures and costs incurred by the permittee in accordance with generally accepted accounting practices and standards typically applicable to business records, which shall

be made available to the City during business hours for inspection upon reasonable notice by the Department or Chief of Police.

- v. Any and all records required by or related to this article, the Alameda Municipal Code, or any conditions attached to any permit or land use entitlement, including a use permit, issued for commercial cannabis activity or otherwise associated with the property.
2. A dispensary/retailer permittee that operates as a medicinal cannabis cooperative or collective for qualified patients, shall maintain all records as required by State law.
3. A Manufacturer Permittee shall maintain the following records on the property:
 - i. Evidence of: (a) verification that all cannabis products manufactured and packaged at the location are manufactured, packaged, and labeled in compliance with all applicable State and local laws; and (b) laboratory testing as required by State and local laws.
 - ii. A list of any cannabis business operating under a Dispensary/Retailer Permit located in the City of Alameda that the Manufacturer Permittee has provided, or intends to provide its product to. The list shall include the name of the Dispensary/Retailer Permittee, its address, the date the cannabis products were distributed, and the type and amount of the product that was distributed.
4. A Manufacturer Permittee who produces edible cannabis products shall maintain the following records on the property:
 - i. Proof of inspection and all required approvals required by the Alameda County Environmental Health Department and the County Health Officer for food manufacturers, packagers, and/or distributors.
 - ii. Producers of edible cannabis products that are tested for contaminants shall maintain a written or computerized log documenting:
 - a) The source of the cannabis used in each batch of product;
 - b) The contaminant testing date; and
 - c) The testing facility for the cannabis.
5. A Cultivator Permittee shall maintain the following records on the property:
 - i. An inventory record documenting the dates and amounts of cannabis cultivated at the property, the daily amounts of cannabis stored on the property, and an inventory record of all cannabis distributed to cannabis businesses operating under a Dispensary/Retailer Permit located in the City. The inventory shall include total plants grown by the cultivator, the total weight of all cannabis distributed, and receipts and documents detailing the sale or distribution of cannabis.
 - ii. Evidence to verify that all cannabis is cultivated in compliance with all applicable State and local laws.

- cc. *Insurance.* Maintain at all times Commercial General Liability insurance on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury with per-occurrence limits set by the City Attorney's Office. The Commercial General Liability policy shall provide contractual liability, shall include a severability of interest or equivalent wording, shall specify that insurance coverage afforded to the City shall be primary, and shall include an Additional Insured Endorsement naming the City, its officials and employees as additional insured. Pollution Legal Liability shall be required for cultivation and manufacturing operations with per-occurrence limits set by the City Attorney's Office. Failure to maintain insurance as required herein at all times shall be grounds for suspension or revocation of the permit.
- dd. *Project Costs.* The applicant shall pay for any analysis and review by City staff or a consultant related environmental clearance for the project under applicable State and federal law, and pay for all related costs, including costs incurred by the City, associated with project review under CEQA.
- ee. *Worker's Compensation Insurance; Employer's Liability Insurance.* Applicant or permittee shall, at applicant/permittee's expense, maintain in full force and effect during duration of the permit, worker's compensation insurance with not less than the minimum limits required by law, and employer's liability insurance with a minimum limit of coverage set by the City Attorney's Office.
- ff. *Indemnity.* By accepting the permit, each permittee agrees to indemnify, defend and hold harmless to the fullest extent permitted by law, the City, its officers, agents and employees from and against any all actual and alleged damages, claims, liabilities, costs (including attorney's fees), suits or other expenses resulting from and arising out of or in connection with permittee's operations, except such liability caused by the active negligence, sole negligence of willful misconduct of City, its officers, agents and employees.
- gg. *Waiver of Sovereign Immunity.* All tribal government applicants and permittees applying for, or renewing an existing permit, are required to execute and include a waiver of tribal sovereign immunity when submitting their initial or renewal application.
- hh. *Destruction Bond.* Any cannabis business must provide proof of a bond of at least five thousand (\$5,000.00) dollars and up to an amount permitted by applicable law to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of applicable law, including this article.
- ii. *Notification of Enforcement Action.* Notify the Department, with a copy to the Chief of Police, within three (3) days of any notices of violation or other corrective action ordered by a state or other local licensing authority, and provide copies of the relevant documents.
- jj. *Commencement of Operations or Abandonment.* The permittee's cannabis business must open at the approved premises and commence operations within one (1) year of being issued a permit under this article or the date the use permit for the commercial cannabis activity vests, whichever is later, as required by Section 6-59.12 of this article. Additionally, after operations have lawfully commenced, the cannabis

business must not remain inoperative for a period of more than six (6) months, unless upon showing of good cause. Failure to meet this condition is grounds for revocation of any permit or land use entitlements.

6-59.11 - Conditions for Specific Permits.

a. *Delivery/Distribution Permittees.* A cannabis business operating within the City under either a dispensary/retailer, dispensary/delivery, or distributor permit which delivers or distributes cannabis shall be subject to the following conditions:

1. Delivery or distribution of cannabis may be made only from a dispensary-retailer, dispensary/delivery or distributor issued a permit by the City and the State in compliance with this article and State law.
2. Maintain at all times all licenses and permits as required by California state law and the laws of the local jurisdiction in which the permittee is located, and provide immediate notification to the Chief of Police if any license or permit is suspended or revoked.
3. Any person who delivers or distributes cannabis to a customer or licensee must have in his/her possession a copy of the appropriate permit, which shall be made available upon request to law enforcement. A manifest with all information required in this section must accompany any person who delivers or distributes cannabis to a customer or licensee at all times during the process and hours of delivery or distribution.
4. The person delivering or distributing, in addition to their vehicle or other mode of delivery/distribution, shall not advertise any activity related to cannabis nor shall it advertise the name of the permittee. Any delivery or distribution vehicle or other mode of transport must be made in compliance with State and local law as it may be amended, including use of a dedicated GPS device for identifying the location of the vehicle or other method of transport (cell phones and tablets are not sufficient).
5. Delivery or distribution of cannabis shall be directly to the residence or business address of the customer or licensee in the State of California; delivery or distribution to any other location is prohibited. Delivery or distribution vehicles shall not leave the State of California while in possession of cannabis or cannabis products for sale, delivery, or distribution.
6. Delivery or distribution of cannabis shall occur only between the hours of 7:00 a.m. and 9:00 p.m. Any deliveries started but not completed before the hour of 9:00 p.m. shall return to the permitted facility and be completed the next business day.
7. No permittee shall deliver or distribute (nor cause to be delivered or distributed) cannabis in excess of the limits established by the California Bureau of Cannabis Control (or successor agency) during the course of delivering or distributing cannabis; until the California Bureau of Cannabis Control (or successor agency) establishes the limit, the limit shall be no more than three thousand (\$3,000.00) dollars of cannabis or cannabis product.

8. Submit and regularly update the following information concerning delivery or distribution:
 - i. Listing of all vehicles and devices to be used for delivery or distribution of cannabis or cannabis products within the City, which includes the vehicle's make, model, year, license plate number, and vehicle identification number.
 - ii. Copies of applicable authorizing state and local licenses and permits issued to cannabis business allowing it to engage in commercial cannabis activity.
9. All orders to be delivered or distributed shall be packaged bearing the names of the customer or licensee. A customer or licensee requesting delivery or distribution shall maintain a physical or electronic copy of the request and shall make it available upon request by the State, licensing authority, and law enforcement officers, which shall include the following information:
 - i. Name and address of the licensed dispensary-retailer or distributor permittee.
 - ii. The name of the employee who delivered or distributed the order.
 - iii. The date and time the request was made.
 - iv. The complete address where delivery or distribution occurred.
 - v. A detailed description of the cannabis or cannabis product(s) requested for delivery or distribution, including the weight or volume, or any accurate measure of the amount of cannabis or cannabis product ordered.
 - vi. The date and time of delivery or distribution was made, and the signature of the person who received the delivery or distribution.
- b. *Dispensary-Retailer or Dispensary-Delivery Permittees.* In addition to the standards applicable to all cannabis businesses, the following apply to cannabis businesses with a Dispensary-Retailer Permit:
 1. *Displays/Inventory.* Display of cannabis products shall be limited to only an amount necessary to provide a visual sample for customers. All cannabis or cannabis products available for sale or display must be securely locked and stored. No cannabis product shall be visible from the exterior of the business.
 2. *Check Cashing Prohibited.* No dispensary/retailer permittee may engage in check cashing activities at any time.
 3. *Physician Recommendations.* No recommendations from a physician for medicinal cannabis shall be issued on-site.
 4. *Minimum Operational Hours.* Any cannabis business facility operating under a Dispensary/Retailer Permit must be open to the public a minimum of forty (40) hours per week.
 5. *Underage Entrants.* No one under the age of twenty-one (21) shall be allowed to enter any cannabis business facility unless, as permitted under State law, the person is a qualified patient or a primary caregiver and they are in the presence of their parent or legal guardian.

6. *Shipments.* Shipments of cannabis or cannabis products shall only be accepted during the regular business hours of the receiving cannabis business. Shipments of cannabis or cannabis products from the cannabis business shall only be made during the regular business hours of the shipping cannabis business.
 7. *Alcohol/Tobacco.* There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of alcohol or tobacco by patrons.
 8. *Signage/Trade Dress.*
 - i. All signage for commercial cannabis activity shall be subject to the sign regulations in Section 30-6 of Chapter XXX of the Alameda Municipal Code.
 - ii. Any and all signage, packaging, and facilities shall not be "attractive," as it is defined by the State, to minors, and shall not be visible from the exterior of the licensed premises.
 - iii. *Mandatory Signage.* A sign must be posted in a conspicuous location inside the cannabis business and advise that:
 - a) The use of cannabis may impair a person's ability to drive a motor vehicle or operate heavy machinery;
 - b) Loitering in a public place in a manner and under circumstances manifesting the purpose and with the intent to commit an offense specified in Chapter 6 (commencing with Section 11350) and Chapter 6.5 (commencing with Section 11400) of the Health and Safety Code is prohibited;
 - c) Loitering on private property without visible or lawful business with the owner or occupant is prohibited by California Penal Code Section 647(h); and
 - d) This cannabis dispensary/retailer establishment is permitted in accordance with the Municipal Code, and State law, including the MAUCRSA, and Bureau of Cannabis Control regulations.
 9. *Safety of Products.* The dispensary/retailer permittee must ensure that the cannabis and cannabis products it offers for sale are manufactured, packaged, tested, and labeled in compliance with all applicable state and local laws. No dispensary/retailer permittee may obtain or distribute cannabis products from any cannabis business unless such business has a valid permit or license issued by the Bureau of Cannabis Control and a California city or county.
- c. *Cultivation Permittees.* In addition to the standards applicable to all cannabis businesses, the following apply to cannabis businesses with a cultivation permit:
1. *Outdoor Cultivation Prohibited.*
 - i. Outdoor cultivation of cannabis is not permitted in any zoning district.
 - ii. All cultivation must be done inside a fully enclosed structure, and the cultivation operation shall not be visible from the exterior of any structure on the property.

2. *Public Access Restricted.* A cultivation permittee must restrict access by members of the public to the permitted facility, except that licensees obtaining or seeking to obtain cannabis or cannabis products (or their authorized representatives) may enter the licensed premises for that purpose.
 3. All cultivation permittees must obtain and maintain a valid Distributor Permit, from the City.
- d. *Manufacturing Permittees.* In addition to the standards applicable to all cannabis businesses, the following apply to cannabis businesses with a Manufacturing Permit:
1. All manufacturing activities that will be conducted by the permittee must be included on the application. No additional manufacturing activity not already included in the application can be conducted without a City-approved amendment to any applicable permit providing for such additional activity.
 2. The premises shall not contain an exhibition or cannabis product sales area or allow for retail distribution of cannabis products at that location.
 3. *Preparation, Packaging, and Labeling of Edibles.* The preparation, packaging, and labeling of edible cannabis products shall comply with applicable federal, state, and local law, including without limitation applicable regulations promulgated by the County of Alameda.
- e. *Distributor Permittees.* In addition to the standards applicable to all cannabis businesses, the following apply to cannabis businesses with a Distributor Permit:
1. A distributor permittee shall ensure that all cannabis product batches are stored separately and distinctly from others on the distributor's premises.
 2. A distributor shall ensure a label with the following information is physically attached to each container of each batch:
 - i. The manufacturer or cultivator's name and license number;
 - ii. The date of entry into the distributor's storage area;
 - iii. The unique identifiers and batch number associated with the batch;
 - iv. A description of the cannabis products with enough detail to easily identify the batch; and
 - v. The weight of or quantity of units in the batch.
 3. A distributor permittee shall store harvest batches and edible cannabis products that require refrigeration consistent with State and local law.
 4. A distributor permittee shall store cannabis or cannabis products in a building designed to permit control of temperature and humidity and shall prevent the entry of environmental contaminants such as smoke and dust. The area in which cannabis or cannabis products are stored shall not be exposed to direct sunlight. A distributor permittee may not store cannabis or cannabis products outdoors.
 5. Any facilities of the distributor permittee shall not contain an exhibition or cannabis product sales area or allow for retail distribution of cannabis or cannabis products at that location.

- f. *Additional Permit-Specific Requirements.* As set forth below, the Department may issue implementing regulations to impose additional permit-specific requirements in the interest of protecting the public health, safety, and welfare in an expeditious manner.
- g. *Prohibited Activity.* Cannabis may not be smoked, ingested, or possessed in a manner that violates State law (Health and Safety Code Sections 11362.3 and 11362.79).

6-59.12 - Failure to Commence Operations/Abandonment.

- a. The purpose of this section is to prevent the reservation of land for future use by a permittee that has no good faith intent to commence the proposed use, and after lawful use has commenced, to encourage productive use of land within the City.
- b. If a cannabis business has not opened at the approved location and commenced operations within one (1) year of being issued a permit under this article or the date the use permit for the commercial cannabis activity vests, whichever is later, or if at any other time, after operations have lawfully commenced, the cannabis business remains inoperative for a period of more than ninety (90) days, the permit shall be deemed expired and void.
- c. The City shall provide written notice to the cannabis business that the permit has expired and is void. A cannabis business may appeal the permit expiration in the same manner as appealing a denial in subsection c. (Appeal of Denial) of Section 6-59.6 of this article.
- d. Upon a factual showing of good cause by the cannabis business for its failure to commence or continue operations within the required time, the Hearing Officer may grant a one (1) time only extension, not to exceed sixty (60) days, based upon a factual finding of good cause for the extension. The determination of good cause to support the one (1) time extension shall be final.
- e. "Good cause" includes, but is not limited to, termination of the cannabis business' lease by the property owner; a change in federal, state or local law that now prohibits use of the previously approved location as a cannabis business; foreclosure or sale of the approved location resulting in the cannabis business' inability to enter into a new lease; damage to or deterioration to the building that prevents the safe use and/or occupation of the structure until all required repairs are made in conformity with a Notice and Order issued to the property owner by the City's Building Official pursuant to the California Code of Regulations and the Uniform Code for Abatement of Dangerous Buildings. However, if the Cannabis Business was responsible for the condition, including any non-permitted construction or alteration of the structure, or non-permitted electrical, mechanical or plumbing, "good cause" shall not be found.

6-59.13 - Fees.

Applicants and permittees shall pay all applicable fees as set forth in the City's Master Fee Schedule adopted by resolution. Applicants and permittees also shall pay the amount as prescribed by the Department of Justice of the State of California for the processing of

fingerprints. None of the above fees shall be prorated, or refunded in the event of permit denial, suspension or revocation.

6-59.14 - Regulations and Enforcement.

- a. Any action required by either the Department or Chief of Police under this section may be fulfilled by designees.
- b. The Department and Chief of Police are authorized to coordinate implementation and enforcement of this article and may promulgate appropriate regulations or guidelines for such purposes.

6-59.15 - Penalties.

- a. Each and every violation of this section, including without limitation the causing, permitting, aiding, abetting, or concealing a violation of this section, shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Alameda Municipal Code, unless specifically provided for herein, including without limitation punishment as a misdemeanor.
- b. As a nuisance per se, any violation of this article shall be subject to injunctive relief, revocation of the business' cannabis business permit, disgorgement and payment to the City of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity, including without limitation a civil action brought by the City. The City may also pursue any and all remedies and actions available and applicable under local and state laws for any violations committed by the cannabis business and persons related to or associated with the cannabis business.
- c. A person engaging in cannabis business without a permit required by this article shall be subject to civil penalties of up to three (3) times the amount of the permit fee for each violation, and the State or local authority, or court may order the destruction of cannabis associated with that violation. A violator shall be responsible for the cost of the destruction of cannabis associated with the violation, in addition to any amount covered by a bond required as a condition of licensure. Each day of operation shall constitute a separate violation of this section.
- d. Any person violating any other provision of this article (or any provision of the Alameda Municipal Code related to cannabis), including refusing access to inspect the premises under subsection z. of Section 6-59.10 of this article or knowingly or intentionally misrepresenting any material fact in procuring such required permits (i.e., regulatory permit and use permit), shall be deemed guilty of a misdemeanor punishable by a fine of not less than two hundred fifty (\$250.00) dollars and not more than one thousand (\$1,000.00) dollars for each day (or portion thereof) of the violation or for each individual item constituting the violation (e.g., cannabis or cannabis product), or by imprisonment for not more than twelve (12) months, or by both such fine and imprisonment.

6-59.16 - Implementing Regulations.

The Department shall have the authority to adopt all necessary guidelines, procedures, and regulations to implement the requirements and fulfill the policies and purposes of this article and any other local ordinance governing cannabis, including without limitation adding or amending specific conditions imposed on any cannabis business.

30-10 – CANNABIS

30-10.1 - Commercial Cannabis Uses.

- a. *Findings.* This section establishes regulations governing the commercial cultivation, manufacture, distribution, delivery, testing, and sale of cannabis and cannabis products. The purpose of these regulations is to provide requirements and criteria to approve of cannabis businesses engaged in such uses. The City of Alameda finds it necessary to establish such requirements and criteria in the interest of the public health, safety and welfare to regulate all cannabis-related uses.
- b. *Definitions.* The applicable definitions in the Alameda Municipal Code are incorporated by this reference, unless otherwise defined herein.
 1. *Cannabis* means any and all parts of the plant *cannabis sativa linnaeus*, *cannabis indica*, or *cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this section, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.
 2. *Cannabis business* means a business or enterprise engaged in commercial cannabis activity.
 3. *Cannabis product* means cannabis that has undergone a process whereby the cannabis has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible, topical, or other cannabis-containing product.
 4. *Chief of Police* shall mean the Chief of Police of the City of Alameda Police Department or the Chief's designee.
 5. *Commercial cannabis activity* means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, labeling, transportation, sale, delivery, or provision of cannabis or cannabis products for commercial purposes, whether for profit or not.
 6. *Community Development Department* shall mean the Director of Community Development Department of the City of Alameda (or successor department), or his or her designee.
 7. *Concentrated cannabis* means the separated resin, whether crude or purified, obtained from cannabis.
 8. *Day care center* means any licensed child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school-age child care centers.

9. *Delivery* means the commercial transfer of cannabis or cannabis products, for profit or not, to a customer by any means. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer that enables customers to arrange for or facilitate the commercial transfer by a licensed retailer of cannabis or cannabis products. Delivery, however, shall not include commercial transfer of cannabis or cannabis products, for profit or not, by means of a self-service display, which is strictly prohibited.
 10. *Distribution* means the procurement, sale, and transport of cannabis or cannabis products between entities licensed pursuant to the Medicinal and Adult-Use of Cannabis Regulation and Safety Act and any subsequent State of California legislation or regulation regarding the same.
 11. *Edible cannabis product* means a cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.
 12. *Medicinal cannabis or medicinal cannabis product* means cannabis or a cannabis product, respectively, intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation or other authorization permitted by State law.
 13. *Permit* refers to any one (1) of the regulatory permits described in subsection c. of Section 6-59.4 of Article XVI that affords the permittee the privilege of conducting the activity allowed under the regulatory permit.
 14. *Person* shall mean and include a natural person, joint venture, joint stock company, partnership, association, club, company, corporation, limited liability company, business, estate, trust, business trust, receiver, syndicate, organization, or any other group or combination acting as a unit, or the manager, lessee, agent, servant, officer or employee of any of them.
 15. *Youth centers* means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities. Youth centers shall also mean any facility determined by the Alameda Recreation and Parks Department to be a recreation center in a City park.
- c. *Permitted Uses.* The following are the permitted commercial cannabis land uses within the City of Alameda. Any commercial cannabis land use not expressly provided for in this section is deemed prohibited.
1. *Cannabis retail* means the sale, delivery, or provision of cannabis or cannabis product to customers or members by any person, business, or organization.
 2. *Cannabis industry* means the possession, manufacture, distribution, processing, storing, laboratory testing, labeling, or transportation of cannabis or cannabis products, or some combination of the foregoing in accordance with State law, by

any person, business, or organization for commercial purposes, whether for profit or not. This use also includes the production, preparation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container by any person, business, or organization.

3. *Cannabis cultivation* means the production of clones, immature plants, seeds, and agricultural products used specifically for the propagation and cultivation of cannabis to mature plants. Except as provided for in the preceding sentence, cannabis cultivation shall not include any activity involving the planting, growing, harvesting, drying, curing, grading, trimming, or processing of cannabis, which is prohibited.
- d. *Applicability.* This section shall apply to the establishment of all land uses related to cannabis and cannabis products.
- e. *Home Occupations.* It is unlawful to engage in commercial cannabis activity as a home occupation as defined in Section 30-2b of this Chapter.
- f. *Use Permit.*
 1. *Use Permit Requirement.* It is unlawful to engage in commercial cannabis activity, as such use classifications are described in subsection c. above, without first obtaining a use permit.
 2. *Administrative Approval.* Use permits to engage in commercial cannabis activity may be approved by the Zoning Administrator where the Administrator determines that each of the criteria of subsection 30-21.3b, pursuant to Section 30.21.4 of the Alameda Municipal Code, are satisfied.
- g. *Permitted Locations.*
 1. No commercial cannabis activity shall be permitted on city-owned land or federal property.
 2. Notwithstanding Section 30-4 (District Uses and Regulations) of the Alameda Municipal Code, Cannabis Cultivation, as defined in the Alameda Municipal Code, may be conditionally permitted in the following zoning districts or locations:
 - i. C-M, Commercial Manufacturing District; and
 - ii. AP-E1, Alameda Point, Enterprise District 1, AP-E2, Alameda Point, Enterprise District 2, and AP-AR, Alameda Point, Adaptive Reuse subdistricts.
 3. Notwithstanding Section 30-4 (District Uses and Regulations) of the Alameda Municipal Code, Cannabis Industry, to the extent permitted by the Alameda Municipal Code, may be conditionally permitted in the following zoning districts and locations:
 - i. C-M, Commercial Manufacturing District;
 - ii. AP-E1, Alameda Point, Enterprise District 1, AP-E2, Alameda Point, Enterprise District 2, and AP-AR, Alameda Point, Adaptive Reuse subdistricts; and

- iii. Office, research and development, and light industrial zones in the Marina Village Master Plan area.
- 4. Notwithstanding Section 30-4 (District Uses and Regulations) of the Alameda Municipal Code, Cannabis Retail, to the extent permitted by the Alameda Municipal Code, may be conditionally permitted in the following zoning districts and locations:
 - i. C-1, Neighborhood Business District;
 - ii. C-C, Community Commercial Zone;
 - iii. C-M, Commercial Manufacturing District;
 - iv. AP-AR, Alameda Point, Adaptive Reuse;
 - v. NP-W, North Park Street Workplace subdistrict; and
 - vi. NP-G, North Park Street Gateway subdistrict.
- h. *Off-Street Parking.*
 - 1. All sites where commercial cannabis activity is permitted shall at a minimum comply with the parking regulations in Section 30-7 of Chapter XXX of the Alameda Municipal Code. Cannabis manufacturing uses shall be subject to the same parking requirement as a manufacturing, major use under Section 30-7.6 and cannabis retail uses shall be subject to the same parking requirement as a general retail use.
- i. *Lighting.*
 - 1. All exterior lighting shall comply with Chapter XXX of the Alameda Municipal Code, and at a minimum, be fully shielded, downward casting and not spill over onto structures, other properties or the night sky.
- j. *Business Conducted Within Building.*
 - 1. No manufacturing, production, distribution, storage, display, retail, or wholesale of cannabis and cannabis-infused products shall be visible from the exterior of the building where the commercial cannabis activity is being conducted. All structures used for cultivation, shall comply with the setback requirements for the base zoning district and any applicable combining zoning districts. There shall be no exterior evidence of cultivation outside the structure.
- k. *Conditions of Approval.*
 - 1. All cannabis businesses shall comply with the general conditions set forth in Section 6-59.10 and all applicable specific conditions set forth in Section 6-59.11 of Article XVI of Chapter VI of the Alameda Municipal Code.
 - 2. In approving a use permit for commercial cannabis activity, the city may also specify such additional conditions as it deems necessary to fulfill the purposes of this section and Article XVI of Chapter VI of the Alameda Municipal Code, including without limitation, conditions of approval to safeguard public health, safety, and welfare, address nuisance impacts to surrounding uses, and prevent a disproportionate burden on public services (e.g., police, fire, building, etc.) and may require reasonable guarantees and evidence that such conditions are being, or will be, complied with.
- l. *Vesting of Use Permit.*

1. Notwithstanding Section 30-21.9 (Termination Due to Inaction) of Chapter XXX (Development Regulations) of the Alameda Municipal Code, a use permit, if granted, for commercial cannabis activity shall terminate one (1) year from the date of its granting, unless actual construction or alteration, or actual commencement of the authorized activities, has begun under valid permits within such period, including without limitation the granting of a regulatory permit pursuant to Article XVI (Cannabis Businesses) of Chapter VI (Business, Occupations, and Industries) of the Alameda Municipal Code. An applicant may seek a one-time one (1) year extension to the use permit for good cause, but may only do so no earlier than sixty (60) days prior to expiration of the initial one (1) year term.
 2. "Good cause" includes, but is not limited to, termination of the cannabis business' lease by the property owner; a change in federal, state or local law that now prohibits use of the previously approved location as a cannabis business; foreclosure or sale of the approved location resulting in the cannabis business' inability to enter into a new lease; damage to or deterioration to the building that prevents the safe use and/or occupation of the structure until all required repairs are made in conformity with a Notice and Order issued to the property owner by the City's Building Official pursuant to the California Code of Regulations and the Uniform Code for Abatement of Dangerous Buildings. However, if the cannabis business was responsible for the condition, including any non-permitted construction or alteration of the structure, or non-permitted electrical, mechanical or plumbing, "good cause" shall not be found.
- m. *Revocation or Modification.* A use permit approved under this section may be revoked or modified at any time following a public hearing in accordance with Section 30-21.3 of this chapter.

30-10.2 - Personal Cultivation of Cannabis.

- a. *Purpose.* The purpose of this section is to regulate and impose zoning restrictions on the personal cultivation of cannabis for lawful personal use (medicinal or adult-use) incidental to the residential use of the primary residential dwelling pursuant to State law. This section is not intended to interfere with a patient's right to use medical cannabis pursuant to the Compassionate Use Act, as may be amended, nor does it criminalize cannabis possession or cultivation otherwise authorized by State law. This section is not intended to give any person or entity independent legal authority to operate a cannabis business; it is intended simply to regulate and impose zoning restrictions regarding personal cultivation of cannabis in the City of Alameda pursuant to the Alameda Municipal Code and State law.
- b. *Authority.* The primary responsibility for enforcement of the provisions of this section shall be vested in the Community Development Department and the Chief of Police.
- c. *Definitions.* For the purpose of this section, unless the context clearly requires a different meaning, the words, terms, and phrases set forth in this section have the meanings given to them in this section:
 1. *Accessory structure* shall have the same meaning as set forth in Section 30-5.7 of this chapter.

2. *Cannabis cultivation area* , means the maximum dimensions allowed for the growing of cannabis. For indoor cultivation areas, the cannabis cultivation area shall be measured in contiguous square feet using clearly identifiable boundaries of all area(s) that will contain cannabis plants at any point in time, including all of the space(s) within the boundaries, in the primary residential dwelling or permitted accessory structure.
 3. *Cultivate* or *cultivation* means any activity involving the planting, growing, harvesting, drying, curing, trimming, or processing of cannabis for personal use.
 4. *Primary caregiver* shall have the same definition as set forth in California Health and Safety Code Section 11362.7, as that section now appears, or may hereafter be amended or renumbered, but who does not receive remuneration for these activities except for compensation in full compliance with subdivision (c) of Section 11362.765 of the Health and Safety Code.
 5. *Primary residential dwelling* shall mean the primary residential dwelling of the primary caregiver, qualified patient, or adult twenty-one (21) years of age or older who is eligible to cultivate cannabis for medicinal or adult use in compliance with this section.
 6. *Qualified patient* shall have the same meaning as a patient that uses or ingests medicinal cannabis as that term is defined in Section 11362.7 of the California Health and Safety Code and who is entitled to the protections of California Health and Safety Code Section 11362.5, as may be amended.
- d. *Personal Cultivation of Cannabis.*
1. A qualified patient or primary caregiver shall be allowed to cultivate and process cannabis within his/her primary residential dwelling in compliance with the standards established by subsection (e) of this section and subject to the following limitations:
 - i. Any cannabis cultivated is for the exclusive personal use of the qualified patient, and is not provided, sold, distributed, or donated to any other person.
 - ii. No more than six (6) living cannabis plants at any one (1) time per qualified patient for medicinal use may be cultivated at any primary residential dwelling.
 - iii. In the case of a primary caregiver, the foregoing limit shall apply to each qualified patient on whose behalf the primary caregiver is cultivating, but in no event shall that amount exceed thirty (30) cannabis plants to be cultivated at any primary residential dwelling.
 - iv. A copy of documentation of qualified patient status and/or primary caregiver status consistent with the provisions of California Health and Safety Code Section 11362.7 et seq. shall be maintained at the primary residential dwelling, including clear and adequate documentation, where applicable, evidencing that the qualified patient or primary caregiver may possess an amount of cannabis in excess of the limits set forth in the preceding paragraph (i), consistent with the patient's needs.
 - v. A qualified patient or primary caregiver shall not participate in medicinal cannabis cultivation in any other property within the City.

2. An adult person twenty-one (21) years of age or older shall be allowed to cultivate and process cannabis for personal use within his/her primary residential dwelling in compliance with the standards established by subsection (e) of this section and subject to the following limitation:
 - i. No more than six (6) living cannabis plants at any one (1) time may be cultivated for adult use within the adult person's primary residential dwelling, regardless of the number persons residing thereon.
 3. Cannabis cultivation is prohibited in the common areas of a multi-unit residential development and in common areas of any commercial or industrial development.
 4. Nothing in this section shall be interpreted to allow a qualified patient or primary caregiver to combine limits for medicinal and adult-use to exceed the limits set forth above.
- e. *Standards for Personal Cultivation of Cannabis.*
1. To the extent that the city is required to allow the cultivation of cannabis for personal use and consumption under State law, the standards set forth in this section shall apply. Nothing in this section shall be interpreted to permit cultivation of cannabis for commercial purposes.
 - i. *Allowed Cultivation Areas.* Cannabis may be cultivated in the interior only of the primary residential dwelling, subject to the following limitations:
 - a) Cultivation of cannabis plants for personal use must be in full compliance with all the applicable provisions of California law.
 - b) Cultivation must occur in one (1) cannabis cultivation area in a single primary residential dwelling.
 - 1) For an adult person twenty-one (21) years of age or older or a qualified patient, the cultivation area shall be no more than one hundred (100) contiguous square feet.
 - 2) For primary caregivers, it shall be no more than one hundred (100) contiguous square feet for each qualified patient on whose behalf the primary caregiver is cultivating, but shall in no event be more than five hundred (500) contiguous square feet.
 - c) The cannabis cultivation and processing area shall be in compliance with the California Building Code, California Fire Code, and other locally adopted life/safety codes, including requirements for electrical and mechanical ventilation systems.
 - d) Interior cultivation and processing areas are restricted to one (1) room of a primary residential dwelling, or within a self-contained outside accessory structure that is secured, locked, and fully enclosed. The accessory structure shall comply with all requirements under section 30-5.7f (Accessory Buildings), and shall not be constructed or covered with plastic or cloth. If located in a garage, the cultivation or processing use shall not result in a reduction of required off-street parking for the residence, as required under Section 30-7.3 of this chapter. The primary residential dwelling shall maintain kitchen, bathrooms, and primary bedrooms for their

intended use and not be used primarily for personal cannabis cultivation or processing.

- e) Cannabis cultivation and the establishment or use of the cultivation and processing areas cannot cause nonconformity under the Alameda Municipal Code.

ii. *Lighting and Electricity Restrictions.*

- a) Any cannabis cultivation lighting shall not exceed one thousand two hundred (1,200) watts unless specifically approved in writing by the Building Official (or designee).
 - b) All electrical equipment used in the cultivation or processing of cannabis (e.g., lighting and ventilation) shall be plugged directly into a wall outlet or otherwise hardwired; the use of extension cords to supply power to electrical equipment used in the cultivation or processing of cannabis is prohibited.
- iii. Only cannabis cultivated at the primary residential dwelling in conformance with this section shall be allowed to be processed at the primary residential dwelling.
- iv. Any use of a compressed flammable gas or gas products (CO₂, butane, etc.) as a solvent or other volatile solvent in the extraction of THC or other cannabinoids, or cannabis cultivation or processing for personal use is prohibited.
- v. There shall be no exterior evidence, including but not limited to odor, view, or other indication of cannabis cultivation or processing on the property that is perceptible to a person with normal unaided vision standing at the property lines of the subject lot.
- vi. For the convenience of the qualified patient, primary caregiver, or adult person twenty-one (21) years of age or older, to promote building safety, to assist in the enforcement of this section, and to avoid unnecessary confiscation and destruction of cannabis plants and unnecessary law enforcement investigations, persons cultivating cannabis pursuant to this section may notify the City regarding the cultivation site. The names and addresses of persons providing such notice, or of cultivation sites permitted under these regulations shall not be considered a public record under the California Public Records Act or the City of Alameda's Sunshine Ordinance.
- vii. The cannabis cultivation and processing area shall not adversely affect the health or safety of the nearby residents in any manner, including but not limited to by creating dust, glare, heat, noise, noxious gases, odor, smoke, traffic, vibration, or other impacts, or be hazardous due to use or storage of materials, processes, products or wastes.
- viii. The cannabis cultivation or processing for personal use shall not adversely affect the health or safety of the occupants of the primary residential dwelling or users of the accessory building in which it is cultivated or processed, or occupants or users of nearby properties in any manner, including but not limited to creation of mold or mildew.

- f. *Public Nuisance.* It is declared to be unlawful and a public nuisance for any person owning, leasing, occupying, or having charge or possession of any premises within the City of Alameda to cause or allow such premises to be used for the outdoor or indoor cultivation of cannabis plants, or processing thereof as described herein, or to process, cultivate or allow the cultivation of cannabis plants in any manner that conflicts with the limitations imposed in this section.
- g. *Enforcement.*
 - 1. The remedies provided by this section are cumulative and in addition to any other remedies available at law or in equity, including the civil and administrative enforcement and penalty provisions for municipal code violations set forth in Chapter I of the Alameda Municipal Code.
 - 2. Any person who violates any provisions of this section shall be guilty of a misdemeanor, subject to a penalty of imprisonment in the county jail for a period of time not to exceed six (6) months, or by a fine not to exceed the amount set forth in Chapter I of the Alameda Municipal Code, or both, for each violation. Notwithstanding the classification of a violation of this section as a misdemeanor, at the time an action is commenced to enforce the provisions of this section, the trial court, upon recommendation of the prosecuting attorney, may reduce the charged offense from a misdemeanor to an infraction.
 - 3. Any person convicted of an infraction under this section shall be punished pursuant to Chapter I of the Alameda Municipal Code.
 - 4. The penalties provided for herein shall attach to each violation. For purposes of this section, a violation shall accrue for each day (or portion thereof) of the violation or for each individual item constituting the violation (e.g., cannabis plant).