

From: Alan Singleton [mailto:ryger3351@usa.net]
Sent: Friday, August 11, 2017 5:13 PM
To: Jaime Valdez <jvaldez@cityofgoleta.org>; Winnie Cai <wcai@cityofgoleta.org>
Subject: Re: Marijuana Regulation Workshop - August 21

Hello,

I will not likely be able to attend the workshop on Monday, Aug 21st, so I'm emailing my 2-cents worth on it...

Regarding distribution to the end-customer:

- No sales should be allowed in residential areas from out of people's homes, it should only be allowed from real brick-and-mortar storefronts (ie. 7-11, Liquor Stores, Tobacco Shops, etc...).
- Those storefronts should be required to have surveillance/recording systems to track under-age purchases/attempts.
- Controls need to be in place to prevent easy theft on-site by store goers (something similar to cigarettes, or possibly like what's coming down from State legislation regarding ammunition sales?).
- Only face-to-face sales... no Internet or Mail-order sales.

But, I have a few questions...

- Is there a breathalyzer type of test that can accurately measure "intoxication" levels (something at least as accurate as field alcohol breath tests)?
...and if so, what are the legal limits, or has anything been set?
- Especially for Junior Highs, will schools be required to develop some type of education/guidance programs under the new laws?

Thanks,
Alan Singleton
(805) 968-5426
(805) 681-5671
ryger3351@usa.net

From: Felicia Saunders [mailto:bubnbrat@cox.net]
Sent: Friday, August 11, 2017 5:52 PM
To: Jaime Valdez <jvaldez@cityofgoleta.org>
Subject: Marijuana public comment

I will not be able to attend your meeting on August 21st. As a cancer survivor, it is very important to me that marijuana be easily available to those who need it. Some people who need it may be on their own, and may not be able to drive, so it is important that places to buy it are readily accessible.

Please feel free to contact me if you need to.

Felicia Saunders
Daytona Drive
Goleta

From: Carol Voorhis [mailto:carolsroom@cox.net]
Sent: Sunday, August 20, 2017 12:52 PM
To: Jaime Valdez <jvaldez@cityofgoleta.org>; weai@cityofgoleta.org
Subject: workshop - pot regulations

Unfortunately I cannot attend this meeting tomorrow. Not knowing the the existing state laws or local regulations, I am shocked to read that the whole idea regarding the passing of the law to legalize marijuana, was to control all of these issues, and produce income taxes for these cities.

If these dispensaries are a business which collects a lot of money, why isn't a business license required already and as any other business, required to file a tax return. I'm sure these sales are cash only, so how can that be traced. No wonder it is such a lucrative business to open.

My sister gave me thought to just exactly all of these questions. She was in a car accident which left her with depilating neck and back pain for the past two years. She sought treatment from a few different specialists, pain management by injections, physical therapy, etc.

Just recently went to one of these clinics, first going into the "doctors" office and then the dispensary. She said it was a weird experience, The doctor was a retired OB/GYN. The only thing he did to see if she qualified, was to take her blood pressure. That charge was \$100 cash only.

At the dispensary it was first come first served. The "doctor" suggested a CBD ointment without the TCP, but didn't help. The ointment with TCP seems to work temporarily after several applications. Again, cash in the amount of \$150.

Again, how is all of this to be regulated when the people at these dispensaries are there to make a ton of money which they don't have to report. How can only cash transactions benefit the cities. As far as I'm concerned, it is again an illegal business set up for those owning it making a ton of money and not paying taxes.

-----Original Message-----

From: kargarlaw@cox.net [mailto:kargarlaw@cox.net]
Sent: Monday, August 21, 2017 2:13 PM
To: Jaime Valdez <jvaldez@cityofgoleta.org>; Winnie Cai <wcai@cityofgoleta.org>
Subject: Pot regulations workshop

Please see attached letter. Thank you Garry and Karen Lawrence

ATTACHMENT:

21 August, 2017

City of Goleta Community Workshop for:

Marijuana Sales, Manufacturing and Distribution within city limits.

While we are against the general legalization and sale of marijuana it is hoped that you will consider the following issues for inclusion in any laws, codes, rules or stipulations issued to control the Manufacturing, Sales and Distribution within the city of Goleta.

All parties involved in the Manufacturing, Processing, Transportation and Sales should be licensed (business, driving, property plus county and state if required), insured or bonded plus an adjustable annual fee sufficient to cover processing and monitoring cost to the city of Goleta.

City license renewal should be required on an annual or bi-annual basis to assure compliance to all City, County and State requirements.

Manufacturing: The quantity of plants allowed to be grown needs to be controlled as the aroma (similar to the skunk smell) can and currently does permeate adjacent neighbors and public areas with as few as 20 plants. (Personal experience from observation and senses)

Neighbors, schools, businesses and public areas within city limits should not have to endure the constant, odiferous smells emitted by marijuana plantings.

A minimum 2 mile perimeter should be required around all schools or child care centers and any marijuana growth, processing and sales facilities.

Security monitoring inside and outside sales premises should also be required.

Thank You for considering and hopefully implementing these suggestions.

Garry & Karen Lawrence, 7626 Dartmoor Ave Goleta, CA 93117

-----Original Message-----

From: ELIZABETH DAWN [<mailto:jelizabethdawn@cox.net>]

Sent: Monday, August 21, 2017 3:12 PM

To: Jaime Valdez <jvaldez@cityofgoleta.org>

Subject: marijuana

We have a wonderful City of Goleta, and I urge our Council members to help support our city by rejecting the growing, distribution, and sale of marijuana in Goleta. Clarity of mind and freedom from drugs helps everyone to make progress and be a helpful and effective citizen. I sincerely hope the Council will deeply consider this view. Thank you.

Elizabeth Dawn

-----Original Message-----

From: catriona orosco [<mailto:catrionaorosco@gmail.com>]

Sent: Monday, August 21, 2017 10:45 PM

To: Jaime Valdez <jvaldez@cityofgoleta.org>; Winnie Cai <wcai@cityofgoleta.org>

Subject: Public Workshop on Marijuana Regulation

To the City of Goleta,

First, thank you for opening up public discussion regarding the future direction of marijuana regulation within the city. I attended today's public meeting and was happy to see people on both sides of the issues speaking up.

I wanted to write in as an advocate for the expansion of licensing to additional recreational and retail marijuana businesses. As a city resident I feel the city should thoughtfully embrace this new economic opportunity. The city of Goleta can benefit from the increased tax revenue which can be used to set up and regulate the industry as well as provide education and counseling to the general public.

The current dynamic promotes a duopoly that is unfair, unreasonable, and unjust. It is not in the public's best interest to continue with this unfair economic policy. There may be an initial rush of people wanting to open retail and medicinal facilities. There will be winners and losers and the market will decide. By being proactive, the city can create an environment that allows for recreational use and maintains public safety.

An expansion of policy to allow additional medical marijuana dispensaries is also in Goleta's best interest. Patients deserve access to quality product. This requires guidelines, enforcement, and access to proper lab testing. By setting guidelines the city can promote healthier, non-chemical, safer marijuana products.

An important piece to move forward is to create clear, specific regulations. Do not create grey areas that can cause confusion or be misinterpreted due to vagueness. Licensing fees should be reasonable so that new business is not restricted to those with the deepest pockets.

It would be a disservice to the community and short-sighted of the council to walk away or be a late entrant into the marijuana market.

Let's welcome the new opportunity. Let the city of Goleta show why we call it The Good Land.

Thank you,
Catriona Orosco

Catriona Orosco <catrionaorosco@gmail.com>

The SB 28.80 Volunteer Organization

RECEIVED

City of Goleta
C/O Community Workshop
Goleta City Council Chambers
130 Cremona Dr. Suite B
Goleta, CA 93117

Submitted August 21, 2017

Re: Medical Marijuana sales, manufacturing and distribution, testing, licensing and taxing of marijuana businesses.

The SB 28.80 Volunteer Organization is comprised of local licensed cannabis business operators and community volunteers who share a passion for legalized, controlled, and safe access to Cannabis within Santa Barbara County and its Cities. The organization embraces and supports advancements in science, energy, agriculture, and medicine through alternative healing methods complimentary to modern medicine. As a public service, the SB 28.80 Volunteer Organization presents information by producing, compiling, and donating educational videos, research, information, and flyers to various communities, political leaders, and local businesses.

Recently our organization conducted an exhaustive study on various municipalities within the state of California who have developed existing regulatory cannabis ordinances in several licensed categories. These categories include dispensary retail sales, manufacturing and distribution, cultivation, laboratory testing, licensing, and taxing of marijuana businesses.

Dispensary, Delivery, & Retail Sales

These operations are the public face of the cannabis business. Local governments can regulate their operational hours, location, size, design, and security requirements. Local governments also regulate product types or window displays to limit attracting underage interest. While this land use is more noticeable and more likely to engage with customers/residents than the others mentioned, much of existing medical cannabis sales in California are handled through delivery.

The Medical Cannabis Regulation and Safety Act (MCRSA) identifies and licenses retail sales operations as “dispensaries” and subsequently the Adult Use of Marijuana Act (AUMA) identifies and licenses two types of retail sales as “retail” and “microbusiness.” A person who holds a microbusiness license may cultivate up to 10,000 square feet and it also acts as distributor, manufacturer, and retailer at a single site. Microbusinesses would be small- scale, vertically integrated businesses that would still be subject to independent testing at a licensed test facility. The microbusiness model is expected to function in the same way medical

marijuana collective dispensaries were intended to operate under the Medical Marijuana Program Act, but unlike the collective dispensary they operate for-profit businesses.

The AUMA and MCRSA both allow licensed dispensaries, microbusinesses, and retail operators to engage in delivery of marijuana products to a home or place of business, unless otherwise regulated or prohibited by local governments. The delivery of marijuana must originate from a licensed brick and mortar establishment and will be subject to strict state and local regulation to prevent the unlawful diversion of marijuana. It is important to note and consider that the AUMA does not promote or restrict on-site use of marijuana at retail sales locations. Marijuana Cafes could be proposed as ancillary uses to retail sales operations. While these commercial retail operations would remain subject to smoking and vaporization regulations, local governments may permit, regulate or restrict edible, topical, or other non-inhaled means of ingesting marijuana products.

The collective or cooperative model contemplates qualified patients and/or primary caregivers working together in a closed loop system to cultivate and distribute marijuana on a non-profit cost recovery (subject to reasonable compensation) basis only. This model is difficult to maintain for storefront medical marijuana dispensaries that have hundreds of qualified patients and/or primary caregivers (“collective members”) whose only contribution to the collective is the payment of reasonable compensation for the medical marijuana they receive. This collective model, however, is no longer necessary.

Under MCRSA it is now lawful for medical marijuana dispensaries to commercially cultivate and sell marijuana. While the City could continue to require the operation of collective and cooperative dispensaries, this model adds an unnecessary complexity, and in some ways conflicts with the separate commercial licensing scheme created under the MCRSA.

Suggested Course of Action: Consider allowing and regulating marijuana retail and/or microbusinesses but on a limited scale. Taxing at the point of sale could be the primary source of ongoing income for the City. Amend to remove the “collective” operational requirement. Consider regulation or prohibition of on-site consumption and use of marijuana. Also consider restrictions on delivery operations/hours.

Commercial Manufacturing

The State will issue two types licenses for commercial manufacturing. One for using volatile solvents (e.g. butane, propane, or ethanol), and one for using non-volatile solvents (vegetable oils, or animal fat). Ethanol and other volatile solvents are critical for production of many cancer treatment products (e.g. Rick Simpson Oil, CBD Oil). Manufacturing is the extraction or refinement of THC and/or CBD for use in consumer products such as cancer treatment oils, baked goods, topical ointments, or aromatics. The use of volatile compounds involves the storage of solvents that can combust or explode if mixed with air. This type of manufacturing is

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For Further Information Please Contact: Ryan Howe, Canopy Club, Inc. (805) 895-2578
Jessica Stewart, Canopy Club, Inc. (424) 249-2286

typically done indoors in an industrial setting. Local regulations can limit the type of manufacturing allowed, establish security requirements, and restrict style and location of signage.

Suggested Course of Action: Consider allowing and regulating both types of commercial manufacturing licenses. Permit these licenses using the same processes as other Goleta manufacturing licenses which currently operate in the City. Incorporate fire prevention, security and aesthetic measures.

Distribution

Distribution licenses will be for the transportation and warehousing of marijuana products. Commercial warehousing typically requires about 10,000+ square feet of indoor storage area. A licensed distributor would also need to obtain a transportation license. The purpose of the distribution license is to develop committed partners in maintaining the security and integrity of the product. Introduction of unregulated black-market product or diversion of product to the black market to avoid taxation would undermine the legitimate marijuana market, impact government revenue, and encourage criminal activity. Both distribution and transportation operators will participate in the state's track- and-trace monitoring system as marijuana products are monitored from "seed-to-sale" to ensure quality, origin, and potency are accurately presented to the customer and that taxes are duly collected

Suggested Course of Action: Allow but restrict marijuana warehousing to certain land use zones.

Cultivation

Ten state license types for commercial cultivation of medical marijuana are established under the MCRSA and thirteen state license types will be available for non- medical commercial cultivation under the AUMA. The AUMA and MCRSA allow commercial cultivation to occur both indoors and outdoors, and the type of license issued is based on the type (indoor or outdoor) and size of the operation. The largest cultivation licenses issued by the State will be for cultivation of up to 22,000 square feet. (Note: the State will not issue licenses for large scale cultivation of up to 22,000 square feet until January 1, 2023.) The City, however, if it chooses to allow cultivation may restrict the size and type (indoor and/or outdoor) of cultivation, and is not required to allow for large scale commercial operations. Issues for consideration when determining whether, and to what extent, to allow cultivation within the City are water and electrical usage, odor, visibility of the plants, and security. The City could consider prohibiting commercial non- medical cultivation in any zone, though this would eliminate the AUMA grant funding eligibility.

Suggested Course of Action: Consider restriction of commercial cultivation to only a few of the permit types (e.g., indoor only, and/or “small scale” cultivation), and consider incorporating security, odor, aesthetic, location, or other criteria.

Testing

Like manufacturing, testing is an indoor, light industrial activity. A business holding a testing license is not eligible to hold any other license. The purpose of this license is to have an independent third party inspecting and certifying all marijuana products before they are distributed to retailers. Local regulations can establish security requirements, and restrict style and location of signage.

Suggested Course of Action: Consider restricting to indoor facilities incorporating security and aesthetic criteria.

Licensing & Taxing

The municipalities of Monterey County, Santa Cruz County, the City of Santa Rosa, and the City of Santa Barbara are selected as examples.

Monterey County Licensing Fees & Business Tax:

- Cannabis Coastal Development Permit: \$9,025.35
- Cannabis Use Permit: \$8,214.27
- Commercial Cannabis Permit – Initial Permit: \$4,474.00
- Commercial Cannabis Permit – Renewal: \$1,028.00

Every person engaged in the cannabis business as a dispensary, manufacturer, testing laboratory, transporter, distributor, or distribution facility, or engaging in delivery of cannabis shall pay an annual commercial business tax rate of 5% of the gross receipts per fiscal year. Every person engaged in cannabis cultivation shall pay an annual commercial business tax rate of \$15.00 per fiscal year, per square foot of canopy authorized by each county permit, or by each state license in the absence of a county permit.

Santa Cruz County Licensing Fees and Business Tax:

The licensing application fee for a dispensary is \$3,000 and licensing issuance is \$500. For cultivation, the application fee is \$500. Every person engaged in cannabis business in the county shall pay a business tax at a rate of up to 10% of gross receipts.

Santa Rosa City Licensing Fees and Business Tax:

- Neighborhood Meeting - \$914
- Conditional Use Permit Minor - \$2,511
- Conditional Use Permit Major - \$10,964
- Public Hearing - Planning Commission - \$1,889
- Environmental Review/Exemption - \$769
- Initial Study & Mitigated/Negative Declaration - \$3,998

Every person engaged in a cannabis business in the City as a manufacturer, distributor, or a dispensary an annual tax rate shall not exceed 8% of annual gross receipts. For cannabis cultivation in the City, an annual tax rate shall not exceed either \$25.00 per square foot of cannabis cultivation area or 8% of annual gross receipts.

Santa Barbara City Licensing Fees and Business Tax:

- Storefront Collective Dispensary Permit (30-hour deposit is required for full cost recovery): \$145.00/hr.
- Storefront Collective Dispensary Permit Annual Review: \$950.00
- Storefront Collective Dispensary Permit Annual Financial Audit (A 20-hour deposit is required for full cost recovery) \$165.00/hr.
- Other PSPs: \$5,000.00

The City Business Tax for Medical and Non-Medical dispensary retail, delivery, cultivation, manufacturing, distribution, and testing is eligible to be taxed up to 20%.