

City of Sacramento
Cannabis Cultivation Meeting with Dispensaries
Meeting Notes

March 3, 2016
2:00 – 4:00 p.m.
City Council Chambers – 915 I Street, 1st Floor

I. Announcements

- City has currently not made decisions on cultivation operation requirements and has not yet established an application process or operating permit.
- City asked current cultivators to register and show proof of cultivation and having an established business before February 2, 2016. The deadline was Thursday March 3, 2016. City will follow up with registration applicants if more information is needed.
- Next City Council meeting will be held Tuesday, March 15, 2016 at 6:00 p.m. City will seek extension of cultivation moratorium to allow time to make decisions regarding regulations of cultivation operations and a permitting process.

II. Questions, Comments and Recommendations

- **RECOMMENDATIONS and COMMENTS from AUDIENCE:**
 - The City should not have distance requirements on cultivation sites because some buildings were already purchased and potential locations are already very scarce. There is little to no traffic in these areas
 - Dispensaries should be allowed one or two cultivation sites to secure their supply to meet their demand and to lessen price hiking during times when supply is low. Due to State regulation, the vendors who are able to sell to dispensaries will be limited; therefore there will be a greater need for dispensaries to have their own cultivation sites.
 - Cannabis cultivated in the City of Sacramento should be allowed to be exported to other cities that need the products because there are not many cities who are allowing cultivation right now.
 - Cannabis grown outdoors is cheaper than indoor and some patients need access to less expensive medicine. Dispensaries should be allowed to purchase from outdoor cultivation site from somewhere else.
- **QUESTIONS from AUDIENCE and CITY STAFF RESONSES:**
 - Are dispensaries being given any special preference to have a cultivation site?
 - Not at this time.
 - How long will the process take to issue permits?
 - The City is unsure how long the process will take at this time.
 - How will it be determined how many grow sites will be needed and future growth or need for more cultivation sites?
 - The City is gathering information from stakeholders to determine where the product comes from currently and hasn't made decisions on how many cultivation sites will be permitted or how to determine the need for future growth.
 - How should "premise" be defined?
 - The City will work on clarification of "premise".
 - Do dispensaries have to use permitted cultivators only for their product?
 - The City has not yet permitted any cultivators and has not made decisions on regulation of cultivation or a permit process. Dispensaries should currently obtain their product from members of their collective.
 - Will dispensaries have the opportunity to verify cultivators who have registered and stated their affiliation with that dispensary?

- At this time we are keeping the information provided by cultivators confidential but this may be a possibility in the future.
- Is there a requirement for cultivators to disclose what dispensaries they sell to?
 - The City did not make it a requirement that a cultivator must disclose any dispensary they sell to at this time.
- Do cultivators have to be recommended by a dispensary in order to obtain a permit?
 - The City has yet to make decisions on regulation of cultivation or obtaining a permit for cultivation and has at this time not made a requirement of cultivators to be recommended by a dispensary.
- For cultivators who register, will the City be inspecting the sites or will any of the information on the locations be shared?
 - At this time the City is keeping the information provided by cultivators and cultivation sites confidential.
- How is cultivation defined? Are growing and having immature plants considered “cultivation”? Will dispensaries be allowed to cultivate on-site?
 - This City will make further decisions and clarification regarding cultivation. Currently per Sacramento City Code section 5.150.130, subsection G, number 2 with the exception of immature nursery stock, no medical marijuana shall be grown or cultivated on the dispensary property.
- Will manufacture be allowed on the same site as cultivation?
 - The City has not yet made decisions on other types of marijuana business such as manufacture or delivery.
- Will cultivators who have not paid any state or local taxes be allowed to get a permit?
 - The City has not made any decisions at this time on the requirements for obtaining a cultivation permit.
- Will the City be collecting any back owed taxes on cultivation?
 - Possibly but we have not asked for any taxes at this time.
- How will the cultivated cannabis grown in the City of Sacramento be tracked or how can we tell where it’s being sold?
 - The State of California will be tracking cultivated marijuana with its “seed to sale” system. The City has not yet made decisions on whether or not it will track the cannabis grown in the City of Sacramento or make a requirement that it only be sold in the City of Sacramento.
- Will cultivation sites be able to move after obtaining a Conditional Use Permit? If a cultivation site is registered and has to move for some reason, how will that affect their registration status?
 - The City has not yet made decisions on the ability for cultivation sites to move or how that would affect the registration or Conditional Use Permit.

III. Action Items and Next Steps

- Continue outreach and meetings with stakeholder groups to gather more information and recommendations.
- Determine distance requirements between cultivation sites, parks and schools.
- Establish level of approval for cultivation Conditional Use Permits.
- Develop and establish regulation of cultivation, an application process and cannabis cultivation operating permits.