



## Additional Documents Distributed for the City Council Special Meeting April 27, 2016

Item No.	Agenda Item Description	Distributor	Document
2	Fiscal Year 2016-17 Budget and Priorities	Joanne Nuckols and William Sherman, Commissioners, Freeway & Transportation Commission	Email to Council
2	Fiscal Year 2016-17 Budget and Priorities	Michelle Goldman, Affiliation not stated	Handout regarding South Pasadena Medical Marijuana Prospectus; Articles from The Daily Caller and Portland Mercury
2	Fiscal Year 2016-17 Budget and Priorities	Chris Randal, South Pasadena Resident	Voicemail Message to Council

**Natalie Sanchez**

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**From:** Joanne Nuckols [REDACTED]  
**Sent:** Wednesday, April 27, 2016 3:41 PM  
**To:** City Clerk's Division  
**Cc:** [REDACTED] Dr. Richard Schneider - Personal; [REDACTED] Michael Cacciotti  
**Subject:** Fremont Traffic Calming

Dear Mayor Mahmud and City Council, we are unable to attend the Budget Session tonight due to previous commitments. We would like to ask that you put on the list of projects for further consideration funding for the 2009 Fremont Avenue Traffic Calming Plan.

We are members of the Transportation Commission and our commission is the acting DAG for the 710 Corridor projects of which this is one, according to our ordinance. We had a discussion at the commission last year about this, reviewed the Concept Plan report, discussed a phased approach and further discussion is required before a recommendation could be made to the city council.

As you know, Fremont Ave is one, if not the only, continuous north/south streets in South Pasadena. The traffic has increased steadily for years, yet nothing has been done to manage it and provide a more efficient flow. Safety is another issue to be considered given that our high school, housing, post office, commercial establishments, etc, line the street. The increase in traffic severely impacts the safety of those walking, biking and driving on Fremont. The addition of the Gold Line, and now the extension, severely impacted the street and has caused a lot of back ups of traffic. This street cannot be left unattended any longer.

The plan was developed with full community involvement in a "bottoms up" approach and the concepts outlined in the plan are very viable after seven years. Action on this plan cannot wait another year let along another seven.

Please add this plan to the list of projects to be considered for 2016/17.

Thank you for your consideration.

Joanne Nuckols

Dr. William Sherman

*cc: Council; CM; CA; CACE; Min; Schneider; PTOOR;  
Reference Binder; Original to 4/27/2016 ADDL DOCS*

Additional Material  
AGENDA ITEM # 2  
4/27/16 City Council Mtg.  
Special

## South Pasadena Medical Marijuana Prospectus

### 1. Introduction

On October 09, 2015, Governor Brown signed AB 266, SB 643 and AB 243 enacting the Medical Marijuana Regulation and Safety Act (MMRSA) for the licensure and regulation of medical marijuana effective January 01, 2016.

AB 266 details all licenses in the cannabis industry for cultivation, distribution, transportation, testing, extraction, and dispensing.

The primary requirement for obtaining any medical cannabis state license is an approved local permit from the city in which the licensee is conducting business.

The purpose of this prospectus is to provide information that supports an informed understanding of how a state compliant community-based medical marijuana licensee facilitates the dispensing of medical cannabis with approval by local permits and with transparent accounting. All medical cannabis sales will be tracked and recorded using a software system approved by the California Bureau of Medical Marijuana Regulation to ensure compliance. As a state licensed dispensary, the state will track all medical cannabis sales, and ensure all product originates from a state licensed cultivator, transported by a state licensed transportation company and tested by a state licensed facility before entering our facility for dispensing.

This prospectus was prepared by David and Michelle Goldman, founders of BetterGrow Hydro, Living Lettuce Farms, Boldly Grow Hydro and consultants for the Cultivation Workshop, and reflects two decades of teaching and consulting in operating standards and procedures for the community-based cultivation and distribution of medical cannabis under a state approved medical marijuana program.

The prospectus is intended for City Council members and other city officials who want to be informed regarding the issues related to AB 266, AB 643, and AB 243 in relation to cultivation, distribution and dispensing of medical cannabis.

### 2. The Cultivation Workshop

The Cultivation Workshop was founded in 2015 for the purpose of providing information, classes and resources that support the compliant implementation of California's medical marijuana program.

The Cultivation Workshop has created an educational center, specializing in the business of cannabis. Our core competency is to train and educate patients on how to produce their own medicine. We have created a training program that starts with a 14-Week comprehensive medical marijuana cultivation class, as well as a hands-on cultivation workshop for continuing education. This prepares the student with many hours of practical experience to become a safe and experienced grower.

Located at 3304 East Colorado Blvd in Pasadena, the Cultivation Workshop provides onsite classes and resources for physicians, collective and cooperative operators, attorneys, patients, and municipal officials.

We are also consultants for the Medical Cannabis Caregivers (MCC), who in 2011 was approved by the California Department of Social Services (CDSS) to teach California's Medical Marijuana Program under the CDSS continuing education program for licensees and administrators of residential care facilities.

We work directly with the MCC founder, Liz McDuffie, who represents the MCC on the community advisory board of the National Institute of Health "NIH" 5 year, 3.3 million dollar longitudinal study of "Cannabis, Health and Young Adults" in Los Angeles county.

### **3. Addressing Patient Needs**

We applaud the fact that city council has approved cultivation for patients in South Pasadena up to 32 square feet. However, this addresses only a small part of the problem patients are facing:

If the patient grows outdoors:

- Presents security issues (i.e. robbery or theft)
- Very difficult to prevent access by children that may be present in the household
- Neighbors may complain about the odor
- Chance of crop loss due to weather, insects, animals, mold, etc.
- Many patients simply do not have the space to do so in their backyard, especially those who live in apartment buildings
- Patients can only harvest one crop per year, which in many cases will not be enough to supply the patient through to the following year

If the patient grows indoors:

- Substantial capital investment (electrical upgrades, permits, contractor fees, lighting, HVAC, dehumidification, odor control, CO2, nutrients, etc.)
- If patients do not hire a qualified contractor to set up their space there is a very real risk of fire and/or flood
- Patients cannot obtain property insurance for their grow so they will not be covered in the instance of fire or flood
- Many patients don't have an extra room in their house to convert into a grow space

In addition, many patients aren't farmers or gardeners; they simply lack the knowledge and experience it takes to grow medical-grade cannabis. Even if the patient has gardening experience, it typically takes many crop turns before they are able to produce viable medicine that comes anywhere close to what they would receive from a dispensary; many patients don't have that long, especially the ones who need it the most. Lastly, some patients are not physically able to grow their own plants due to age or degree of illness. This is typical of patients receiving chemotherapy and radiation treatment, and patients in the final stages of cancer.

For these reasons, we believe two things need to happen. First, the city needs a dispensary in order to supply the vast majority of its patients. It's estimated that over 90% of patients obtain medical cannabis from a dispensary or delivery service. Second, it needs a Cultivation Workshop where patients who are in a position to cultivate can learn how to do so. For patients who do not have the space or the capital to invest, we can provide them with up to 32 square feet of growing space in a safe, secure and controlled environment which complies with all local and state laws.

#### **4. Dispensing under the Medical Marijuana Regulation and Safety Act.**

The licensing authority for distributors, dispensaries and transporters will be the Bureau of Medical Marijuana Regulation.

"Medical cannabis," "medical cannabis product," or "cannabis product" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this chapter, "medical cannabis" does not include "industrial hemp" as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.

"Dispensary" means a facility where medical cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to express authorization by local ordinance, medical cannabis and medical cannabis products as part of a retail sale.

License classifications pursuant to AB 266 are as follows:

- (n) Type 10 = Dispensary; General.
- (o) Type 10A = Dispensary; No more than three retail sites.

#### **5. Projected Tax Revenues and additional benefits for the City of South Pasadena.**

AB 266 would require the Board of Equalization, in consultation with the Department of Food and Agriculture, to adopt a system for reporting the movement of commercial cannabis and cannabis products. This language in the bill expresses the market capitalization of medical cannabis in California as a profitable industry, producing tax revenues for the State and City.

As a local medical cannabis business, we will be a fully transparent and compliant accounting entity, set up to pay taxes to the city and state under the MMRSA - Bureau of Medical Marijuana. To understand projected tax revenues for the city, we will provide a market analysis on sales as a medical cannabis dispensary.

#### **Dispensary License Type 10A:**

As a legally permitted dispensary, we project our annual sales to be at \$1,500,000. Assuming an

excise tax of 5% of gross income, this could bring in approximately \$75,000 to the city annually in tax revenue.

We estimate hiring a staff of at least 8 people with open invitations to apply for local workers seeking new employment. Depending on how many patients we serve we also hope to re-invest into the community to improve and maintain environmental parks and recreations, donate to schools, and non-profit community enrichment programs.

We project our growth rate to be 15-20% annually, therefore adding to the tax revenues for the city and state. It will also provide new jobs every year as we grow.

Our focus would be on providing patients with safe and effective products, presented in a compassionate, service-focused way in a comfortable yet professional and clinical setting, operated by well-trained staff. Security and safety would be critical components of our operations. Our security plan will include 24/7 surveillance cameras and an onsite security guard. We also plan to take every effort possible to be "good neighbors" to the surrounding businesses. This includes controlling any odor generated by our products as well as preventing odor from escaping the building using state-of-the-art odor filtration systems. In addition, we will not allow any patients to loiter around the premises. All forms of medicine will be dispensed in childproof packaging (where applicable and/or appropriate) and then placed into a prescription bag and stapled shut. Patients will not be allowed open the packaging or administer medicine in the parking lot or in their vehicle; they must wait until they reach their home to do so. Any patient caught violating these terms will not be allowed to return.

## **SUMMARY:**

We are interested in obtaining a local permit from the city at a properly zoned and approved location for dispensing, in accordance to state licenses Type 10A for dispensing under the Medical Marijuana Regulation and Safety Act. Once we receive a license from the city, we would immediately take the steps necessary to obtain a state license.

Our projections take into account possible tax revenues for the city and new jobs for the local residents. Once operational, we would dedicate a portion of earnings to improve city parks and recreation centers, school and non-profit programs. Our goal is to be a socially conscious business producing extra tax revenues for the city and using our success for the betterment of the South Pasadena community.

We also plan to open a Cultivation Workshop to teach patients and caregivers how to produce their own medicine, as well as providing a safe, secure and controlled environment in which to do so for those who aren't fortunate enough to do so on their own.

We hope you take the time to consider our proposal as we pull away from a century old stigma about cannabis. We have been outspoken leaders in our profession and would love an opportunity to branch out into the South Pasadena community where we reside and which we have been a part of for many years.

**- The Daily Caller - <http://dailycaller.com> -****Federal Judge Confirms: Congress Budget Amendment Means DOJ Can't Touch Medical Marijuana Providers**

Posted By [Jonah Bennett](#) On 3:22 PM 10/20/2015 In | [No Comments](#)

A federal judge Monday thwarted the Department of Justice's attempt to completely ignore a budget amendment which blocked agents from cracking down on medical marijuana providers.

Monday's ruling by Northern District of California Judge Charles Breyer means that the Department of Justice can no longer use funds to shut down medical marijuana providers in states where the drug is legal.

Continuing to harass providers using appropriated funds is illegal.

So long as medical marijuana providers are in compliance with state laws, they essentially are now untouchable by the DOJ, assuming the ruling holds on appeal.

Although the Rohrabacher-Farr budget amendment was approved by the House in June 2014, approved by the Senate Appropriations Committee and signed into law by President Barack Obama via the Consolidated and Further Continuing Appropriations Act of 2015 the same year, the DOJ had other ideas.

In effect, the department interpreted the amendment to mean that it could not impede the ability of states to carry out marijuana laws, leaving individuals or businesses as open targets. Republican Rep. Dana Rohrabacher and Democratic Rep. Sam Farr protested the department's interpretation as "emphatically wrong" and asked for the inspector general July 30 to conduct an investigation of the DOJ.

Even before the amendment passed, DOJ lawyers complained that it would have a major impact on prosecutions. But after the amendment passed, the DOJ decided to reinterpret the amendment in opposition to congressional intent.

Breyer agreed with Rohrabacher and Farr's assessment.

"It defies language and logic for the government to argue that it does not prevent California from implementing its medical marijuana laws by shutting down these...heavily regulated medical marijuana dispensaries," he said in the ruling.

With the ruling issued, Lynnette Shaw will be able to reopen the Marin Alliance for Medical Marijuana, which counts as California's first licensed dispensary.

"This is a big win for medical marijuana patients and their providers, and a significant victory in our efforts to end the federal government's war on marijuana," Dan Riffle, director of federal policies for the Marijuana Policy Project, said in a statement. "Federal raids of legitimate medical marijuana businesses aren't just stupid and wasteful, but also illegal."

"While an annual appropriations rider is a way to temporarily work around broken federal marijuana laws, Congress needs to take concrete steps to permanently resolve the tension between state and federal marijuana laws," Riffle added. "Virtually every presidential candidate from both parties has said states should be able to determine their own marijuana laws, and multiple bills are pending in Congress that would allow them to do so. It is long past time those bills got the hearings and votes they deserve."

It's not clear whether Breyer's ruling impacts criminal prosecutions.

[Follow Jonah Bennett on Twitter](#)

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CANNABIS

APR 27, 2016

# Ask a Pot Lawyer: Did the Feds Let Up on Medical Marijuana?

The US Department of Justice Finally Dismissed a Long-Standing Lawsuit  
by [Vince Sliwoski](#)

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RYAN ALEXANDER-TANNER

***DID THE FEDS** just give up on enforcement actions against state medical marijuana programs?*

**Yes, they did.** They threw in the towel.

Last October, I wrote **in this fine publication** about a case where a federal judge smacked down the US Department of Justice (DOJ) for trying to shutter a medical marijuana dispensary in Fairfax, California. It was a surprising and powerful ruling,

where the judge dressed down the feds for their interpretation of a Congressional spending bill amendment, which he called "tortured reading" that "defies language and logic." The bill in question prohibits the DOJ from spending money to prevent states from implementing medical marijuana laws. I wrote that the DOJ would appeal the ruling, and it did. But last week the DOJ caved, filing a motion to dismiss its own case.

This extraordinary lawsuit had been going on for 17 years. The dispensary in question was founded by a tough lady with large hair named Lynnette Shaw, who proclaimed that the win signals "the end of the medical marijuana war." That is probably true, as long as Congress continues to renew the spending bill amendment, which it did last December. And with yet another medical marijuana state coming online last week (Pennsylvania), it seems that the genie is out of the bottle for medical marijuana. Congress and the courts are starting to get that.

To fully appreciate the ramifications of the DOJ retreat, it's helpful to understand a bit about how courts work. Shaw's dispensary had pummeled the DOJ in California federal district court, which sits in one of 13 US appellate court districts. When the DOJ took its appeal, the case went to the Ninth Circuit Court of Appeals. That circuit covers California, Oregon, Washington, and several other Western states and tiny islands. By my count, 10 of those states have medical marijuana programs.

If the feds had been further chastised for "tortured readings" by the Ninth Circuit Court of Appeals, it would have established a dominant precedent throughout the Western US, and as far afield as the Northern Mariana Islands. Courts in other circuits would have noted the decision, and it would have been "persuasive authority" in their consideration of similar issues. Because the Ninth Circuit is generally considered one of the most liberal in the nation, and because the earlier DOJ loss already sets a limited precedent, the DOJ finally cut its losses and ran.

You may have observed that the current spending bill forbids the DOJ from messing with *medical* marijuana, but is silent as to recreational weed. It would be nice to see the next iteration include that category as well. For now, though, it seems unlikely that the feds will mess with marijuana businesses that act in compliance with state programs, including recreational programs like we now have in Oregon. Things are looking up.

## Natalie Sanchez

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**From:** Anthony Mejia  
**Sent:** Monday, May 02, 2016 1:35 PM  
**To:** Natalie Sanchez  
**Subject:** Citizen Communication

City of South Pasadena

MAY 01 2016

City Clerk's Division

A voicemail was received with the following message:

Chris Randal, South Pasadena resident, as part of a school project, would like to suggest that the City of South Pasadena include in next year's budget, funding for implementation of a City-wide internet program. The program would assist with providing low-income families with access to the internet.

No contact information was provided.

**Anthony J. Mejia, MMC**  
Chief Deputy City Clerk



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